

Year-End Financial Reports Procedure Manual

Budgetary/Legal Basis

**For the Fiscal Year Ended
June 30, 2012**



Controller *John Chiang*
California State Controller's Office

This page intentionally left blank.

Contents

GENERAL INFORMATION

Introduction.....	9
New <u>and</u> Continuing Reporting Requirements	11
Year-End Statement Due Dates <i>New</i>	11
Supporting Documentation.....	11
Pending Claim Schedules	11
Submitting Revised Reports <i>New</i>	12
GASB No. 54 Fund Balance Reporting <i>Updated</i>	12
Abnormal Balances	13
Category 90 -vs- Category 91	13
Categories. 94, 95, 96, 98 & 99.....	14
Program 99	14
Financial Statement Checklist <i>New</i>	14
Special Reports on Certification Letter	15
Reporting for Intangible Assets	15
Federal Trust Fund	16
Report No. 13 <i>Updated</i>	16
Due To/From Other Funds <i>Updated</i>	17
Due To/From Other Appropriations.....	17
Due To/From Supplemental Information Form	20
Accounts Receivable <i>New</i>	21
Fund Balance Variance Explanation Form <i>New</i>	22
General Information and Requirement Reminders for Year-End Reporting.....	25
Mailing/Availability of Controller's Documents to Departments.....	29
Deadlines and Deliverable Dates <i>Updated</i>	30
Contact List <i>Updated</i>	31
Filing Requirements for Reports.....	32
Required Year-End Reports	33
Certificate for Achieving Excellence in Financial Reporting	35

GENERAL INFORMATION (cont.)

Certification Letter.....	37
Sample Certification Letters	39
Year-End Reports Checklist <i>Updated</i>	42
Budgetary/Legal Basis Fund Groups	55

GOVERNMENTAL COST FUNDS

Report of Accruals to Controller's Accounts.....	58
Sample Report No. 1	66
Reporting of Encumbrances.....	71
Encumbrance Examples.....	73
Sample Report No. 1 with Encumbrances	75
Accrual Worksheet.....	76
Sample Report No. 2.....	77
Adjustments to Controller's Accounts.....	78
Sample Report No. 3.....	84
Revisions to Accruals and Adjustments to Controller's Accounts	87
Sample Revised Report Nos. 1 and 3.....	91
Final Statement of Revenue	93
Sample Report No. 4.....	94
Final Reconciliation of Controller's Accounts with Final Budget Report	95
Sample Report No. 5.....	98
Pre-Closing and Post-Closing Trial Balance	99
Sample Report Nos. 7 and 8	100
Reconciliation of Agency Accounts with Transactions per State Controller	102
Sample Report No. 15.....	106

NONGOVERNMENTAL COST FUNDS

Pre-Closing Trial Balance.....	110
Sample Report No. 7.....	115
Post-Closing Trial Balance	116
Sample Report No. 8.....	117
Adjustments to Controller's Accounts.....	118
Sample Report No. 3.....	124
Analysis of Change in Fund Balance.....	125
Sample Report No. 9.....	126
Report of Expenditures of Federal Funds	127
Sample Report No. 13.....	128
Statement of Financial Condition	129
Sample Report No. 20.....	130
General Obligation Bond Funds	131
Special Deposit Fund	132
Non-Treasury Trust Fund (NTT)	133
Sample Report Nos. 7, 8, and 9	135

SPECIAL REPORTS

Report of Bank and/or Savings and Loan Association Accounts Outside the Treasury System.....	140
Sample Report No. 14.....	142
Statement of Changes in Capital Assets Group of Accounts.....	143
Sample Report No. 18.....	146
Statement of Capital Assets Group of Accounts.....	147
Sample Report No. 19.....	148
Statement of Contingent Liabilities	149
Sample Report No. 22.....	150

FREQUENTLY ASKED QUESTIONS <i>New</i>	151
--	-----

This page intentionally left blank.

***New* and General Reporting Requirements**

This page intentionally left blank.

Introduction

The *Year-End Financial Reports Procedure Manual* contains general information for the fiscal year ending June 30, 2012, as well as specific details for preparing the reports required by the State Controller's Office (SCO).

The *Manual* consists of the following four main sections:

General Information: Updated information and/or continued issues of concern, information on changes in year-end reporting requirements, schedules for mailings to departments, due dates for various year-end reports, filing requirements, SCO contact list, list of required year-end reports, and criteria for the *Certificate for Achieving Excellence in Financial Reporting*.

Governmental Cost Funds: Instructions and corresponding samples for preparing the following reports:

- Report No. 1 – Report of Accruals to Controller's Accounts
- Report No. 3 – Adjustments to Controller's Accounts
- Report Nos. 1 and 3 – Revisions to Accruals and Adjustments to Controller's Accounts
- Report No. 5 – Final Reconciliation of Controller's Accounts with Final Budget Report
- Report No. 15 – Reconciliation of Agency Accounts with Transactions per State Controller

Introduction (cont.):

Nongovernmental Cost Funds: Instructions and corresponding samples for preparing the following reports:

- Report No. 3 – Adjustments to Controller's Accounts
- Report Nos. 7 and 8 – Pre-Closing and Post-Closing Trial Balances
- Report No. 13 – Report of Expenditures of Federal Funds
- General Obligation Bond Funds
- Special Deposit Fund
- Non-Treasury Trust Funds

Special Reports: Instructions and corresponding samples for preparing the following reports:

- Report No. 14 – Report of Bank and/or Savings and Loan Association Accounts Outside the Treasury System
- Report No. 18 – Statement of Changes in Capital Assets Group of Accounts
- Report No. 19 – Statement of Capital Assets Group of Accounts
- Report No. 22 – Statement of Contingent Liabilities

***New* and Continuing Reporting Requirements**

This section highlights some of the requirements frequently overlooked by departments, provides a recap of those year-end financial reporting requirements established within the past two fiscal years, 2009-10 and 2010-11, and introduces new requirements beginning with our current reporting fiscal year 2011-12.

Year-End Statement Due Dates

As stipulated in the DOF's Budget Letter No. 12-04, issued March 28, 2012, the due dates for submitting year-end financial statements to the SCO for fiscal year 2011-12 are as follows:

July 31, 2012: General Fund, Special Funds for Economic Uncertainties, and Feeder Funds

New

August 20, 2012: All other funds including Non-Treasury Trust Funds

We welcome, and actually prefer, receiving fund financial statements on a flow basis so we can begin the review process as soon as possible. Submitting fund statements as soon as they have been completed allows the departments more time to send in revised statements or to provide missing document(s), if necessary, before the due dates. Revised statements received before the due dates still have an opportunity to qualify for the Certificate for Achieving Excellence in Financial Reporting.

See page 30 for more specific information on required reports.

Supporting Documentation

Supporting documents are required for budget adjustments increasing or decreasing appropriation balances as reflected on the CSYDB3-1 and/or Final Reconciliation of Controller's Accounts with Final Budget, Report No. 5. The support documentation (i.e., executive orders, budget letters, allocation orders, pending claim schedule, etc.) will allow us to confirm the validity of an amount reported as an increase or decrease in appropriation authority and help us to identify overdrafts for a specific item within an appropriation.

Pending Claim Schedules

If you are submitting your statements manually and are posting accruals against reverted appropriations with pending claim schedules, indicate the following on the bottom of the Final Reconciliation of Controller's Accounts with Final Budget Report/Agency Records, Report No. 5:

The amount on the "Pending Budget Revisions (BR)/Allocation Orders (AO)/Executive Orders (EO) line in the "Appropriation Balance" column is there to cover an accrual posted for a pending claim schedule.

New and Continuing Reporting Requirements (cont.):

Pending Claim Schedules (cont.):

This will assist SCO in accurately reporting the final budget amounts in the Budgetary Comparison Schedules which are a part of the required supplementary information in the State's *Comprehensive Annual Financial Report* (CAFR). Include support documentation as well.

Submitting Revised Reports

New

If you find it necessary to revise the amounts reported on your original year-end statements, use the forms provided to you on the SCO website at http://www.sco.ca.gov/ard_state_accounting.html. The amounts reported as revisions for all fund types should only be the **difference** between the original amount reported for a specific account on the original statements and the correct amount. The Report Nos. 1 and 3 forms are input documents where reporting only the difference for revisions will prevent over/under-stating account activity. The following two paragraphs give specific instructions, based on fund type:

Note: Revisions are required to be submitted on or before September 28, 2012. After this date, contact, Lina Chan at (916) 322-4671 to receive approval to submit revisions.

Governmental Fund Revisions:

If you have revisions for a governmental cost fund, use forms 571E and 571F, Revision to Accruals and Adjustments to Controller's Accounts. The amount on the revision form should only be the **difference** between the original amount as reported for a specific general ledger or appropriation account ("D", "T", and "F" type accounts) on the original Report No. 1, Report of Accruals to Controller's Accounts and/or on the Report No. 3, Adjustments to Controller's Accounts, and the correct amount.

Nongovernmental Fund Revisions:

If you have revisions for a nongovernmental cost fund, use form 571E, Revisions to Accruals and Adjustments to Controller's Accounts. The amount on the revision form should only be the **difference** between the original amount as reported for a specific general ledger account on the original Pre-closing Trial Balance (Report No. 7) and the correct amount.

GASB No. 54 Fund Balance Reporting

Updated

The SCO does not require information from departments for fiscal year-2011-12, related to Governmental Accounting Standards Board (GASB) Statement No. 54 –*Fund Balance Reporting and Governmental Fund Type Definitions*, since departments provided the SCO with the fund balance classifications in the prior year. However, departments may be contacted to ensure they concur with the SCO's analysis and fund balance classification(s).

New and Continuing Reporting Requirements (cont.):

Abnormal Balances

An explanation for abnormal balances and accruals and/or encumbrances to general ledger and detail accounts is required as a footnote on the reports or on a separate sheet of paper as an attachment.

The following is a list of reports, by fund type, that will require an explanation for any abnormal accrual/encumbrance entries for GL and detail ("D", "T", and "F") accounts or for any abnormal GL account balance:

- **Governmental Cost Fund** and **Bond Fund** accruals posted to both GL accounts and detail ("D", "T", and "F") accounts as reported on the Report of Accruals to Controller's Accounts (Report No. 1) and the Adjustments to Controller's Accounts (Report No. 3)
- **Nongovernmental Cost Funds** general ledger account balances as reported on the Pre-closing Trial Balance (Report No. 7). Refer to page 115 for additional examples of GL's showing normal balances.

An example of an abnormal accrual on a Report of Accruals, Adjustments to Controller's Accounts (Report Nos. 1, 3, or CSYDB3-1) or on the Pre-closing Trial Balance (Report No. 7) would be a *credit* balance for General Ledger (GL) Account 1140, Cash in State Treasury. GL Account 1140 should have a *debit* balance, not a *credit*.

Abnormal balances on CALSTARS's G02, Report Nos. 7 and 8, Pre and Post-closing Trial Balance, will be identified with asterisks (*). The addition of the asterisk will assist departments with identifying the abnormal balances requiring an explanation

The fund balance of a fund is the excess of the assets over its liabilities. Normally, the ending fund balance should be a positive amount. Funds reporting a negative fund balance must provide a footnote on the Post-closing Trial Balance (Report No. 8) explaining the negative (deficit) fund balance.

Category 90

~vs~

Category 91

For CALSTAR'S departments, SCO will provide CALSTARS' Client Support and Training Unit (CSTU) with a list of departments which are allowed to submit their year-end statements with an unscheduled reimbursement CAT 91, so contact the CALSTARS Hotline at (916) 327-0100 or e-mail HOTLINE@dof.ca.gov for CAT 91 account verification, before submitting Category 91 accruals, when CAT 90 exists as a result of reimbursement authority in the Budget Act.

New and Continuing Reporting Requirements (cont.):

Categories 94, 95, 96, 98 & 99

Remember, do not submit accruals for the following categories: Categories 94, 95, 96, 98, or 99.

Program 99

Program 99 should have a zero balance at the end of the fiscal year.

Financial Statement Checklist

The following checklist is provided to assist in your fund review process. It is a summary of the checklist the SCO uses when reviewing each fund's balance sheet and statement of operations, once the accruals from each of the agencies sharing a fund have been posted.

New

- _____ Current Year (CY) Beginning Fund Balance equals Prior Year (PY) Ending Fund Balance. Compare CY year Pre-Closing Trial Balance (Report 7) and PY Post-Closing Trial Balance (Report 8).
- _____ Fund has zero fund balance, if required. Some funds must have a zero fund balance at the end of each year (i.e. Federal Trust Fund).
- _____ Assets, Expenditures, and Transfer-Out are Debits. Abnormal balances must have an explanation. See instructions on the previous page for footnoting abnormal balances.
- _____ Liabilities, Revenues, and Transfer-In are Credits. Abnormal balances must have an explanation. See instructions on the previous page for footnoting abnormal balances.
- _____ Transfers match the Governor's Budget (GB), Fund Condition Statements, given there is a statement for the fund in the GB. Typically, nongovernmental cost funds do not have a fund condition statement in the GB. See GB located at:
<http://20XX-XX.archives.ebudget.ca.gov/Enacted/agencies.html>
- _____ The *Supplemental Information for Material Variances Form* is completed, material amounts are researched, explanation is provided, and two copies are included with the required financial statements. The *Supplemental Information for Material Variances Form* can be found on our web site located at:
http://www.sco.ca.gov/ard_state_accounting.html

New and Continuing Reporting Requirements (cont.):

Special Reports on Certification Letter

“Special Reports” include Report Nos. 14, 18, 19, and 22. These reports are to be listed under the heading “Special Reports” and below all other required reports on the certification letter. (Refer to page 39 for an example) Note: Report No. 13 is not considered a “Special Report”.

Report Nos. 18 and 22

One of each report is required **per fund**.

If there is no activity to report on the Report Nos. 18 or 22, list the reports on the certification letter under “Special Reports” as required and indicate “no activity to report”.

Report Nos. 14 and 19

One of each report is required **per department**.

Indicate the identity of the fund with which the Report Nos. 14 and 19 are submitted on **every** fund certification letter you submit. This will help us locate the Report Nos. 14 and 19 for your department.

If there is no activity to report on the Report No. 14:

- List the report on the certification letter under “Special Reports” as required and indicate “no activity to report”.
- Include a Report No. 14 with one of your funds and indicate on the blank form there is “no activity to report”.

If there is no activity to report on the Report No. 19, list the report on the certification letter under “Special Reports” as required and indicate “no activity to report”.

Reporting for Intangible Assets

The Governmental Accounting Standard Board Statement No. 51 (GASB 51) - *Accounting and Financial Reporting for Intangible Assets*, established uniform accounting and financial reporting requirements for intangible assets in fiscal year 2009-10.

SAM sections 8615 and 8635 require capitalization of purchased intangible assets and internally generated intangible assets. Definitions and descriptions of intangible assets are included in SAM and general ledger accounts for various categories of intangible assets are included in the UCM. Departments are required to report intangible assets using the lowest level general ledger account(s) for their intangible assets in the financial statements.

New* and Continuing Reporting Requirements (cont.):*Federal Trust Fund**

Year-end statements for the Federal Trust Fund (Fund 0890) should **not** be submitted unless there is a zero fund balance. Inflows must equal outflows when accounting for the Federal Funds. There must be a zero fund balance after nominal accounts are closed. If you're accruing revenue or transfers-in (inflows) you should also be accruing an expenditure or transfers-out (outflows).

NOTE: Federal Trust Fund statements with a fund balance remaining will automatically be disqualified from receiving the Certificate for Achieving Excellence in Financial Reporting.

The year-end Closing Instructions of the CALSTARS Procedures Manual in Volume 7, Chapter V states the following:

NOTE: Fund may have Transfers-In/Out (GL 9811/9812) activity along with other nominal accounts. GL 5530, Fund Balance-Unappropriated must be zero.

Also, for Nongovernmental Cost Fund Reports, and specifically for the Report No. 7 – Pre-closing Trial Balance, the CALSTAR Procedures Manual states that GL Accounts 8000, Revenue and GL 9000, Expenditures must equal. Bottom line: Revenue, Expenditure, and Transfer-In/Out accounts must net to zero.

Report No. 13***Updated***

Departments are required to submit the original Report of Expenditures of Federal Funds (Report No. 13) to the Department of Finance (DOF), Fiscal Systems and Consulting Unit (FSCU) and a copy of the report to the SCO with their financial statements. Report No. 13 is required for the Federal Funds only. For detailed instructions and an illustration of the report, see State Administrative Manual (SAM) section 7974.

If you have any questions regarding the Report No. 13, contact the FSCU hotline at fscuhotline@dof.ca.gov or (916) 324-0385 or the CALSTARS hotline at hotline@dof.ca.gov or 916-327-0100. Mailing instructions are on page 32 of this manual.

New and Continuing Reporting Requirements (cont.):

Due To/From Other Funds

We will continue to require departments to identify the department involved in each Due To/From Other Fund transaction on the Due To/From Supplemental Information form. For each amount posted to GL accounts 1410.XXXX and 3114.XXXX, provide the four-digit organization (org) code and department name related to the accrual. See a template for showing how to format the supplementary information on page 20 of this manual.

Updated

Give careful thought to the *end* fund/*end* organization for the Due To/From on the Due To/From Supplemental Form. If the amount will be further transferred or expended to another state department or fund, the accrual and the supplementary information should reflect the ultimate fund. If an interagency agreement exists, it should provide the ultimate fund information. If unclear, contact the other department(s) party to any agreement to ensure your accrual Due To and Due From's reconcile, and both departments are using the *ultimate* (end) fund.

Indicate on the form if you have contacted the other department but the amounts cannot be confirmed.

Submit the supplemental form to the SCO along with the fund statements as follows:

Governmental Cost Funds – include the form with the Report No. 1, Report of Accruals to Controller's Accounts and Report No. 3, Adjustments to Controller's Accounts.

Nongovernmental Cost Funds – include the form with the Report No. 7, Pre-closing Trial Balance. To avoid misclassification of accounts receivables, unless it is for a reverted appropriation that is recoded using GL 1319, Accounts Receivable – Other, a receivable held by the state, federal, of local government, should be reported using GL 14XX or GL 15XX. Refer to SAM Chapter 10400 for a description of GL accounts.

Due To/From Other Appropriations

General Ledger (GL) Account Nos. 1420, Due From Other Appropriations and 3115, Due To Other Appropriations, require the four-digit org code as the subsidiary number for accruals, adjustments, and balances on Report Nos. 1, 3, 7, and Subsidiaries on File. This requirement will assist our office with the reconciliation of the Due To and Due From GL accounts.

Year-end report forms for non-automated statements have been updated to allow for the addition of the four-digit org code subsidiary number after the GL account numbers for Due To/From Other Appropriations: 3115.XXXX and 1420.XXXX.

New and Continuing Reporting Requirements (cont.):**Due To/From
Other
Appropriations
(cont.):**

To ensure the Due To/From entries are reported correctly, departments will need to communicate and coordinate with each other to make sure their respective entries reconcile

Remember, the subsidiary four-digit org number should reflect the end organization. You do not need to report the org if it is merely a flow-through to another org. Also, exclude the clearing account, as a pass-thru fund, in the General Fund.

The following is an example of how a Due To/From Other Appropriations entry for a governmental cost fund should be reflected if the Due To/From is between two *separate* departments:

Type of transaction:

Correction of claim schedule 9456096, dated 5-1-20XX, paid by warrant number 08-211186:

Transaction	{ 0001-4720-20XX-001-10-D	\$1,000.00 DR
Request	{ 0001-1234-20XX-001-10-D	\$1,000.00 CR

Reason for request:

The department code referenced on the claim was 1234 but should have been org code 4720.

Department 1234 would record their side of the entry as follows:

1420.4720 (<i>Due From</i> Org 4720)	\$1,000.00 DR
0001-1234-20XX-001-10-D	\$1,000.00 CR

Department 4720 would record their side of the entry as follows:

0001-4720-20XX-001-10-D	\$1,000.00 DR
3115.1234 (<i>Due To</i> Org 1234)	\$1,000.00 CR

If your department is unable to report Due To/From Other Appropriations with the four-digit org code subsidiary via CALSTARS automated system, include the GL 1420 and 3115 with the four-digit subsidiary on the Supplementary Information form. If you submit manual statements, continue including the subsidiary account information on your Report Nos. 1, 3, 7, and subsidiaries on file.

New and Continuing Reporting Requirements (cont.):

**Due To/From
Other
Appropriations
(cont.):**

The Supplemental Information form is available for your use in an Excel Format on the State Controller's Office website at http://www.sco.ca.gov/ard_state_accounting.html. An example of a Supplemental Information form is on the following page.

Submit **two copies** of the Supplemental Information form to SCO.

Due To/From Other Funds (GL 3114/1410) and Due To/From Other Appropriations (GL 3115/1420)

Supplementary Information

June 30, 20XX

This information is required for all Due From Other Funds (GL 1410), Due To Other Funds (GL 3114), Due From Other Appropriations (1420), and Due To Other Appropriation (3115) amounts reported on Report No. 1, Report No. 3, Report No. 7, and/or Revisions to Report Nos. 1, 3, and 7.

Page ____ of ____

Agency Name and Number Governmental Accounting Advisory Board (1234)	Fund Name and Number Accounting Fund (0234)	
Name of Contact Person, Title Bud G. Tary, Accounting Officer	Telephone Number 916.555.1234	Email Address Bud.G.Tary@gaab.ca.gov

GL ACCOUNT	SUBSIDIARY FUND	SUBSIDIARY ORG	SUBSIDIARY ORGANIZATION TITLE	AMOUNT	REPORT NO. SHOWING AMT
1410	0001	0820	Department of Justice	4,569,871.23	
1410	0001	0840	State Controller's Office	12,345,678,910.11	
			Total 1410.0001	12,350,248,781.34	Report 1
1410	0890	6100	Department of Education	455,598.42	
1410	0890	0840	State Controller's Office	6,582.10	
1410	0890	5225	Department of Corrections and Rehabilitation	452.00	
			Total 1410.0890	462,632.52	Report 1
3114	0001	8380	Department of Personnel Administration	268.49	
3114	0001	0840	State Controller's Office	5,574.30	
3114	0001	4260	Department of Health Care Services	84.96	
3114	0001	4265	Department of Public Health	77,441.00	
			Total 3114.0001	83,368.75	Report 3
1420		0840	State Controller's Office	21,547.56	Report 1
			Total 1420.0840	21,547.56	
3115		1820	Department of Justice	325,125.78	Report 1
			Total 3115.0820	325,125.78	

- Departments should coordinate and communicate with each other to ensure that their corresponding *Due To* and *Due From* entries reconcile and that they are using the ultimate fund/org number as the subsidiary. Submit two copies of this form to the SCO.
- Submit GAAP adjustments for NGC Funds if the encumbrance amount exceeds \$1.0 million. Refer to the GAAP adjustment No. 7 in the GAAP Basis Year-End Procedure Manual.

New and Continuing Reporting Requirements (cont.):

Accounts Receivable

The accounts receivable (AR) amounts reported via the annual AR Workbook submitted to SCO per Government Code Section 16583.2, must match the balances of all accounts receivables reported for each fund as of June 30, 2012 on the departments' year-end financial reports.

New

The AR Toolkit is provided by the DOF to assist the departments in managing accounts receivable. The table below is an excerpt from the DOF's AR Toolkit (page 8). The entire AR Toolkit can be found at: http://www.dof.ca.gov/accounting/fscu/documents/Accounts_Receivable_Toolkit.pdf

Below are accounting entries for the most common types of ARs. These entries are posted when an invoice or other document establishing an AR is prepared. Also, see SAM Chapter 10400 for a description of GL accounts and SAM Section 10506 for establishing invoices.

DEBTOR TYPE	RECEIPT TYPE	DEBIT GL	DESCRIPTION	CREDIT GL	DESCRIPTION
Private Entity	Abatement	1311	AR – Abatement	9000	Appropriation
	Reimbursements	1312	AR - Reimbursements	8100	Reimbursements
	Revenue	1313	AR - Revenue	¹ 1600	Provision for Deferred Receivables
State Dept.	Abatement	1400	Due From Other Funds/Appropriations	9000	Appropriation Expenditure
	Reimbursements	1400	Due From Other Funds/Appropriations	8100	Reimbursements
Other Gov't	Abatements	1500	Due From Other Gov't – Abatements	9000	Appropriation Expenditure
	Reimbursements	1500	Due From Other Gov't – Reimbursements	8100	Reimbursements
	Revenue	1500	Due From Other Gov't – Revenue	¹ 1600	Provision for Deferred Receivables

¹ When AR – Revenue is billed, a credit is recorded to a reserve account until collected. When payments are received, GL 1600 – Provision for Deferred Receivables is debited and GL 8000 – Revenue is credited. Also, GL 1110 General Cash is debited and the applicable receivable GL is credited. See SAM Section 10507. Also note, California State Accounting and Reporting System (CALSTARS) departments use GL 8000 when recording billed revenue. However, at year-end revenue receivables not expected to be collected in the next fiscal year are adjusted and deferred.

***New* and Continuing Reporting Requirements (cont.):**

Fund Balance Variance Explanation Form

The purpose of the fund balance variance explanation is to identify and provide explanations for material variances between prior year (PY) and current year (CY) fund balances.

For each of the funds your department prepares year-end financial statements for, also complete the Fund Variance form and include with the fund's statements you submit to the SCO. You do not need to list this form on the certification letter. The Fund Balance Variance Explanation form and the Checklist of Funds Required for Year-End Reporting are available on the SCO web site:

http://www.sco.ca.gov/ard_state_accounting.html

Instructions:

Complete this form after you have prepared the fund's Report No. 8, Post Closing Trial Balance or CSTARG02.

New

- Using the PY and CY Report No. 8s or CSTARG02s, fill in the PY and CY fund balances (yellow cells)
- The form will automatically calculate the amount and percentage of the fund balance variance
- Based on the calculation, a message will identify whether or not the variance is material, therefore requiring a material variance explanation
- If a variance explanation is *not* required, a form is still required to be submitted, but with no explanation required in the Material Variance Explanation section
- If a variance explanation *is* required, complete the Material Variance Explanation section at the bottom of the form, providing as much detail as possible
- Submit **two copies** of the form with the fund's financial statements to the SCO
- The form does not need to be listed on the Certification Letter

New and Continuing Reporting Requirements (cont.):**Fund Balance
Variance
Explanation
Form (cont.):****Material Variance Criteria:**

1. Difference of CY Fund Balance less PY Fund Balance is greater than or equal to \$1,000,000.00
AND
2. Percentage of variance (variance divided by PY) is greater than or equal to 10%; PY or CY is zero

Material Variance Explanations:

Explanations should answer the question “WHY is there a variance?”

Examples of **acceptable variance explanations:**

- Revenue (GL XXXX) increased due to a new revenue source per Government Code section XXXX
- Expenditures (GL XXXX) decreased as a result of program XX budget cuts/lack of funding/increased federal reimbursements
- Transfers In (GL XXXX) increased due to additional federal grants administered for the XX program

Examples of **unacceptable variance explanations:**

- Revenue increased
- Expenditures decreased due to increased encumbrances
- Transfer In increased due to federal grants

An example of the Fund Balance Variance Explanation Form is presented on the following page.

New and Continuing Reporting Requirements (cont.):**Fund Balance****Variance****Explanation****Form (cont.):****Fund Balance Variance Explanation Form****June 30, 20XX****Fund Number:** **Agency Code:** **Contact Name:** **Contact Email:** **FUND BALANCE**

PY 2010-11

CY 2011-12

--	--

VARIANCE

Amount

Percentage

\$	-	0%
----	---	----

****Please fill in the PY 2010-11 and CY 2011-12 Fund Balance amounts above to calculate the variance.****

Material Variance Explanation:

General Information and Requirement Reminders for Year-End Reporting

One Certification Letter per Fund

General Information for CALSTARS Departments:

For CALSTARS departments that have successfully submitted electronic year-end financial reports for the prior fiscal year, submit a certification letter, a copy of the CSYDB3-1 Report which replaces Report Nos. 1, 2, 3, 5, and 15, a Final Budget Report (Report No. 6), any remaining required year-end financial statements, and supporting documentation for Report No. 3 (if applicable). A complete list of the required year-end statements can be found on pages 33 and 34 of this procedure manual.

For CALSTARS departments submitting statements electronically for the first time this fiscal year and for departments with unsuccessful electronic file transfers in the prior fiscal year, submit hard copies of Report Nos. 1, 3 and 5, as well as a copy of the CALSTARS CSYDB3-1 – Automated SCO Year-End Report – FINAL, and any remaining year-end statements required, including the Final Budget Report (Report No. 6) as mentioned in the preceding paragraph. After successfully completing an electronic transfer of year-end statements, hard copies of Report Nos. 1, 2, 3, 5, and 15 will not be required in subsequent years. For more information on the requirements and instructions on how to file the year-end statements electronically, refer to Department of Finance's CALSTARS Operation Memo and CALSTARS Procedure Manual.

www.dof.ca.gov/html/calstars/procedure/procedure.htm

Reminders for All Departments:

- In addition to including the **e-mail address** of a contact person on each fund's certification letter, **include a mailing address of the department, the names of your department's Director and Chief of Accounting and their respective e-mail addresses.**

General Information and Requirement Reminders for Year-End Reporting (cont.):

- Preprinted forms for Report No. 1 (Report of Accruals to Controller's Accounts) and Report No. 3 (Adjustments to Controller's Accounts) will be posted on the SCO website. For additional blank forms click on the link: www.sco.ca.gov/ard_state_accounting.html
- For departments submitting year-end statements for the Non-Treasury Trust Fund (NTT)-Fund 0990, all reports required should include general ledger account numbers. Account titles alone are insufficient. Reports submitted without GL numbers will be disqualified from receiving the Certificate for Achieving Excellence in Financial Reporting.

Certification Letter

A separate certification letter per fund is required to receive the Certificate for Achieving Excellence in Financial Reporting. Each certification letter must have an original signature of authorization. A fund with multiple *subfunds* can be included within one certification letter but the reports submitted for each subfund must be listed separately on the letter. Requiring one certification letter per fund helps to insure each department's year-end statements are accurately accounted for when SCO logs them in as received. As new funds are created each year, the volume of the year-end statements we receive continues to grow.

Include the Report No. 14; Bank Accounts Outside the State Treasury System and the Report No. 19; Statement of Capital Assets Group of Accounts, on the General Fund certification letter. If your department does not submit reports for the General Fund, include the Report Nos. 14 and 19 on the certification letter for your department's major fund and indicate on all other funds' certification letters which fund has listed the special reports. The idea here is to help us locate the special reports as they are received and to make sure you're given credit for sending them.

Nongovernmental Cost Funds: See page 34 for a full list of statements required by fund type.

General Information and Requirement Reminders for Year-End Reporting (cont.):

Forms Available in Excel Format

The following blank forms are available in an Excel version for use during fiscal year-end report preparation:

- Report of Accruals to Controller's Accounts (Report No. 1):
Forms 571 A, 571 B, 571 A/B, and 571 D
Governmental Cost Funds Only
- Adjustments to Controller's Accounts (Report No. 3):
Forms 576 A and 576 B
Governmental and Nongovernmental Cost Funds
- Revisions to Accruals and Adjustments to Controller's Accounts (Report Nos. 1 and 3):
Forms 571 E and 571 F
Governmental and Nongovernmental Cost Funds

The forms have been updated with helpful "comments" and are located on the State Controller's Office website at

http://www.sco.ca.gov/ard_state_accounting.html

Non- CALSTARS

Remember to list all reports required for that fund type on the certification letter, regardless of whether there was activity or not. This includes the Statement of Financial Condition, Report No. 20, (Nongovernmental Cost Funds, with the exception of Bond Funds which are treated like a governmental cost fund for reporting purposes) and the Statement of Contingent Liabilities, Report No. 22 (Governmental and Nongovernmental Cost Funds).

On the **Pre-closing Trial Balance, Report No. 7**, remember the title of the heading for the column listing the general ledger account numbers should read "GLAN" (acronym for **General Ledger Account Number). The Report No. 7 is used as an input document and the "GLAN" column heading helps to assist our key-data operators. An example can be found on page 115 of this manual.**

General Information and Requirement Reminders for Year-End Reporting (cont.):

CALSTARS Automated Reports

DO NOT send electronic statements if you have report edit messages.

Take care of any report edits before you send statements to the SCO. If statements are sent with an edit message resulting in ANY further action by the SCO to complete the posting process, the fund/department will automatically be disqualified from receiving the Certificate for Achieving Excellence in Financial Reporting.

Do not send CSYDB3-1 pages for accounts that are not on the SCO "Agency Reconciliation Report" (Tab Run). E.g., an invalid Account Type 97. The following are examples of report edit messages ("warning") that should not be submitted to the SCO:

- Prior, prior year revenue ("R")
- Prior, prior year Refunds to Reverted Appropriations ("R")
- Prior year Operating Transfers-In accounts ("R")
- Any account not reconciled to SCO

CALSTARS automated hard copy statements must be received by the due dates on the following page to be considered received on time.

Special Request For All Fund Statements

Do not use staples to attach your financial statements together; instead, use paper clips and/or clasps and rubber-bands. The volume of reports we receive is substantial and to help expedite the distribution of work, we request the non-use of staples when attaching your documents. Also, please to not use 11" x 17" paper.

Mailing/Availability of Controller's Documents to Departments

The documents necessary for year-end closing/reporting will be placed in the mail or messenger service or available via View Direct on the approximate following dates:

Mail Date/ Availability Date	Document
April 1, 2012	Prior Year Accrual Summary
July 2, 2012	Copies of SCO Journal Entries for June will <u>not</u> be mailed but will be available for department's to print via View Direct.
July 7, 2012	Monthly Reconciliation Reports (Department and Fund) will <u>not</u> be mailed but will be available for department's to print via View Direct.
July 18, 2012	Agency Fund Checklist *
July 18, 2012	Report of Accruals to Controller's Accounts (Report No. 1; Forms 571A, 571B, and 571C) **†
July 18, 2012	Adjustments to Controller's Accounts (Report No. 3; Forms 576A and 576B) **†
July 18, 2012	Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5; Form 573) **

* The Agency Fund Checklist is not all-inclusive. All funds with balances on the Agency Reconciliation Report and/or Fund Reconciliation Report must have Year-End Financial Reports submitted.

** These reports are available online for non-CALSTARS departments at www.sco.ca.gov/ard_state_accounting.html

† Additional blank copies of these reports are available at www.sco.ca.gov/ard_state_accounting.html

Deadlines and Deliverable Dates for Year-End Reports

Department of Finance issued Budget Letter 12-04 on March 28th, 2012 announcing the due dates state departments are required to submit their 2011-12 year-end statements to the State Controller's Office.

Due Dates	Fund(s) Year-End Reports
July 31, 2012	General Fund: Fund No. 0001
July 31, 2012	Feeder Funds: Fund Nos. 0081, 0084, 0085, 0086, 0089, 0090, 0091, 0094, and 0097
July 31, 2012	Special Fund for Economic Uncertainties: Fund Nos. 0374 and 0375
August 20, 2012	All other funds including Non-Treasury Trust Funds
On or before August 20, 2012	One of each of the following is required per department: <ul style="list-style-type: none"> • Report of Expenditures of Federal Funds, Report No. 13 due to the DOF, Fiscal Systems and Consulting Unit (FSCU), and 1 copy to the SCO. • Report of Bank and/or Savings and Loan Association Accounts Outside the Treasury System (Report No. 14) • Statement of General Fixed Assets (Report No. 19)

If you cannot submit your reports by the due dates, e-mail Lina Chan at lchan@sco.ca.gov and provide her with the date you will be submitting the reports.

CALSTARS automated hard copy statements must be received by the due dates in order to be considered received on time.

As noted on page 11 of this manual, we prefer to receive fund statements on a flow basis.

Submitting fund statements as soon as they have been completed allows the departments more time to send in revised statements or to provide missing document(s), if necessary, before the due dates. **All revisions submitted after the applicable due date shown in the above table disqualify the fund for the *Certificate for Achieving Excellence in Financial Reporting*.**

Revisions to year-end reports should be submitted on or before September 28, 2012. After this date, contact Lina Chan at (916) 322-4671 to receive approval to submit revisions.

Contact List

State Government Reporting Section

Updated**Section Managers:**

Budgetary/Legal and Accounts Receivable	Lina Chan	(916) 322-4671	Lchan@sco.ca.gov
Reporting Policies	Gary Marshall	(916) 324-4113	Gmarshall@sco.ca.gov
GAAP	Vacant		

Accounting Administrators:	Anthony Delmastro (GAAP)	(916) 322-2952	Adelmastro.sco.ca.gov
	Judy Eng (GAAP)	(916) 324-6061	Jeng@sco.ca.gov
	Cecilia Li-Szeto (Policy)	(916) 327-1720	Cli-szeto@sco.ca.gov
	Sheri L. Noss (B/L)	(916) 323-2359	Snoss@sco.ca.gov
	Dana Parker (B/L)	(916) 327-1715	Dparker@sco.ca.gov
	Jodi Rivera (AR)	(916) 322-9101	JRivera@sco.ca.gov
	Elenita Solis (Policy)	(916) 445-5930	Esolis@sco.ca.gov
	Janti Tam (AR)	(916) 322-4169	JTam@sco.ca.gov
	Joann Zhou (GAAP)	(916) 322-6873	JZhou@sco.ca.gov

Supervisors:	Karyl St. Pierre (GAAP)	(916) 322-2147	KSPierre@sco.ca.gov
	Sharon Wurst (B/L)	(916) 322-7516	SWurst@sco.ca.gov

Fiscal Analysts:	Godwin Ekine	(916) 322-7878	Gekine@sco.ca.gov
	James Graham	(916) 323-8754	Jgraham@sco.ca.gov
	Yolanda Green	(916) 324-9789	Ygreen@sco.ca.gov
	Grace Lee	(916) 324-0253	Glee@sco.ca.gov
	Judy A. Lee	(916) 323-4749	Julee@sco.ca.gov
	Howard Mintz	(916) 322-4630	Hmintz@sco.ca.gov
	Allen Nunley	(916) 322-9896	Anunley@sco.ca.gov
	Randy Phan	(916) 324-6907	Rphan@sco.ca.gov
	Kit Punnikul	(916) 324-8360	KPunnikul@sco.ca.gov
	Perry Tseng-Liu	(916) 324-9843	Stseng-Liu@sco.ca.gov
	Vivian Vo	(916) 324-8606	Vvo@sco.ca.gov

Fax Number	(916) 324-3894
-------------------	-----------------------

Filing Requirements for Reports

Label each report with the department name and number and the fund name and number.

Separate each set of reports by fund. Refrain from using staples to attach the reports. Use clips and/or rubber bands for separating your funds' reports and securing them.

Verify that all reports for all funds are submitted.

If financial reports for a particular fund are not submitted, provide an explanation in the certification letter. If a required report has no activity, continue to list the report as required and state "no activity to report" on the certification letter.

Mail Reports to:

State Controller's Office
Division of Accounting and Reporting
State Government Reporting
P.O. Box 942850
Sacramento, CA 94250-5872

Hand Deliver Reports to:

B-08
State Controller's Office
Division of Accounting and Reporting
State Government Reporting
3301 C Street, Suite 700
Sacramento, CA 95816

Mail the *original* Report of Expenditure of Federal Funds (No. 13) to:

A-15
Department of Finance
Fiscal Systems and Consulting Unit (FSCU)
915 L Street, 7th Floor
Sacramento, CA 95814

Required Year-End Reports for Governmental Cost Funds and Bond Funds

The reports required by the SCO for Governmental Cost Funds and Bond Funds are listed below. Unless otherwise noted, the reports are required by fund. Refer to the Uniform Codes Manual, Fund Section to determine fund type.

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Report Description
1	—	571C	7952	Report of Accruals to Controller's Accounts Due To/From Other Funds and Due To/From Other Appropriations Supplementary Information Form (see page 20)
2	—	572	7953	Accrual Worksheet
3	—	576C	7955	Adjustments to Controller's Accounts Due To/From Other Funds and Due To/From Other Appropriations Supplementary Information Form (see page 20)
4	Q26		7956	Final Statement of Revenue
5	—	573C	7957	Final Reconciliation of Controller's Accounts with Final Budget Report
6	B06	—	7961	Final Budget Report (CALSTARS automated departments only)
7	G02		7962	Pre-Closing Trial Balance Due To/From Other Funds Supplementary Report (see page 20)
8	G02		7962	Post-Closing Trial Balance (includes Subsidiaries on File)
15	—	—	7976	Reconciliation of Agency Accounts with Transactions per State Controller

Special Reports ^a:

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Report Description
14 ^b	—	STD. 445	7975	Report of Bank and/or Savings and Loan Association Accounts Outside the Treasury System **One Report per department**
18	G05	—	7463 7977 8660	Statement of Changes in Capital Assets Group of Accounts ** One Report per fund**
19	G05	—	7978	Statement of Capital Assets Group of Accounts ** One Report per department**
22 ^c	—	—	7980	Statement of Contingent Liabilities ** One Report per fund**

- If your department does not have amounts to report on the special reports, your Certification Letter must indicate this for each report. Refer to the Certification Letter instructions on page 15 for more information.
- Include all accounts used by your department on one report and identify the balances for each account.
- Not required for Fund 0990 (Non-Treasury Trust Fund).

Required Year-End Reports for Nongovernmental Cost Funds

The reports required by the SCO for Nongovernmental Cost Funds, excluding bond funds, are listed below. Unless otherwise noted, the reports are required by fund. Refer to the Uniform Codes Manual, Fund Section to determine fund type.

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Document Description
3	—	576C	7955	Adjustments to Controller's Accounts Due To/From Other Funds/Appropriations Supplemental Form (see page 20)
7	G02		7962	Pre-Closing Trial Balance Due To/From Other Funds/Appropriations Supplemental Form (see page 20)
8	G02		7962	Post-Closing Trial Balance (includes Subsidiaries on File) Due To/From Other Funds/Appropriations Supplemental Form (see page 20)
9 ^d	G04	—	7963	Statement of Operations (Analysis of Change in Fund Balance)
13 ^e	Q34		7974	Report of Expenditures of all Federal Funds
20 ^d	G04	—	7979	Statement of Financial Condition

Special Reports ^a:

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Document Description
14 ^b	—	STD. 445	7975	Report of Bank and/or Savings and Loan Association Accounts Outside the Treasury System **One Report per department**
18	G05	—	7463 7977 8660	Statement of Changes in Capital Assets Group of Accounts ** One Report per fund**
19	G05	—	7978	Statement of Capital Assets Group of Accounts ** One Report per department**
22 ^c	—	—	7980	Statement of Contingent Liabilities ** One Report per fund**

- If your department does not have amounts to report on the special reports, your Certification Letter must indicate this for each report. Refer to the Certification Letter instructions on page 15 for more information.
- Include all accounts used by your department on one report, give a description of the type of account, and include the balances for each account.
- Not required for Fund 0990 (Non-Treasury Trust Fund).
- Required for non-shared funds only.
- Required for the Federal Funds only. Submit the original report to the DOF, FSCU and one copy to the SCO (see page 32 for mailing addresses)

Certificate for Achieving Excellence in Financial Reporting

For Budgetary/Legal Basis Reporting:

To recognize departments that submit both accurate and timely year-end financial reports, the SCO will present an award, the *Certificate for Achieving Excellence in Financial Reporting*, to departments for meeting the following requirements:

Reminder

- Department reports for funds must be received by the due dates specified on page 30.
- Revisions to reports must be received by the financial statement due dates as listed on page 30.
- A certification letter prepared in accordance with the instructions on page 37 accompanies the reports.
- All reports listed on page 33 or 34 must be submitted for the applicable fund type or listed in the certification letter as not applicable (“no activity”) if there is nothing to report.
- All amounts reported as in increase/decrease on the Pending Budget Revision, Executive Order, or Allocation Order line on the Final Reconciliation with Controller’s Accounts with Final Budget Report – Form 573 (Report No. 5) must include support documentation (i.e., a copy of the pending Budget Revision, Executive Order, or Allocation Order).
- All reports must include proper account numbers and titles, as shown in the Uniform Codes Manual, with no more than a 2% error ratio.
- Prior year accruals for Governmental cost and bond funds must be within 10% of actual revenues and expenditures realized in the current year.
- Report Nos. 1 and 3 do not contain transactions with zero (0) dollar amounts, dollar signs (\$), minus signs (-), or brackets for credits.
- For nongovernmental cost funds, Report No. 7 does not contain transactions with zero (0) dollar amounts, dollar signs (\$), minus signs (-), or brackets for credits.
- For all funds, except the General Fund, the difference between the ending fund balance (less reserve for encumbrances and the deferred payroll adjustment made by SCO) and the fund balance provided by the DOF, as it appears on the Fund Condition Statement within the 2013-14 Governor’s Budget (released January 10, 2013), cannot be more than \$100,000 and 3% variance, expressed as a percentage of the Governor’s Budget fund balance.
- You must provide a footnote to explain any abnormal accruals (Report Nos. 1 and 3) and abnormal balances (Report No. 7).

Certificate for Achieving Excellence in Financial Reporting (cont.):

The following is the actual criteria checklist used by the SCO to determine a fund's qualification for the Certificate for Achieving Excellence in Financial Reporting

STATE CONTROLLER'S OFFICE
CERTIFICATE FOR ACHIEVING EXCELLENCE IN FINANCIAL REPORTING CHECKLIST

Agency Code _____ Fund _____ Fund Type _____ Analyst _____

BUDGETARY/LEGAL BASIS REPORTING CRITERIA

The following criteria are used to determine whether or not a fund qualifies for the Certificate for Achieving Excellence in Financial Reporting. Any 'No' answer indicates disqualification. Requirements are also detailed in the Budgetary/Legal Basis Year-End Financial Reports Procedure Manual at http://www.sco.ca.gov/ard_state_accounting.html

1. The Budgetary Reports were received on _____ . Was that on or before the due date?	Yes	No	N/A
July 31, 2012 - General Fund, SFEU, and Feeder Funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
August 20, 2012 - All Other Funds			
2. Certification Letter format is correct, and includes the following: contact name, phone number, email address, agency name, organization code, one fund name, one fund number.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. All required reports were received or noted on certification letter.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Authorized report format was used.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Debits equal credits.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. CalSTARS automated reports are free of errors that require further SCO action to clear.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Total error rate is less than or equal to 2%.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Possible Errors		Error Calculation	
Wrong account numbers *	No agency/fund number on first page *	Cursory Errors	
"SCO Only" box used *	"0"s present in Encumbrance column **	Error Suspense Errors	
Amount entered on wrong line *	"0"s present in Amount column **	Total Errors	
Subsidiary accounts missing *	Symbols such as "\$", "-", or "(" used **	Divided by Total Entries	0
* counted as 1 error PER infraction		Error %	
** counted as 1 error for ALL infractions			

8. Final revision received on _____ . Before due date listed in Criteria 1?.....	Yes	No	N/A
9. (Governmental Cost/Bond Funds only) Prior year accruals are within 10% of expenditures incurred in the current year. Print accrual worksheet after year-end report is completed.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. (Governmental Cost/Bond Funds only) Prior year accruals are within 10% of revenues realized in the current year. Prepare accrual worksheet after year-end report is completed.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. (All Funds except 0001) Is the ending fund balance in the Annual Report within \$100,000 and 3% of the ending fund balance in the Governor's Budget Fund Condition Statement?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. GL accounts 1410 and 3114 (Due To/From Other Funds) include the Due From and Due To Supplementary Information Form identifying the related organization Code(s).....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. GL accounts 1420 and 3115 (Due To/From Other Appropriations) have subsidiary accounts identifying the related organization code(s).....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Supporting documentation and/or footnotes are provided for all accounts with abnormal accruals/encumbrances.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Supporting documentation is provided for any amount listed on the Report 5 as a pending Budget Revision, Executive Order, Allocation Order, etc.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

GAAP BASIS REPORTING CRITERIA

16. Were GAAP adjustments and/or audit reports submitted on time?.....	No
	<input type="checkbox"/>

September 4, 2012 - GAAP adjustments, Proprietary fund statements, Note information, Statement of Changes in Assets and Liabilities, etc.

October 1, 2012 - Draft Audit or October 15, 2012 - Final Audit, if draft received by 10/1

Certificate for Achieving Excellence in Financial Reporting (cont.):

For GAAP Basis Reporting:

- Draft reports audited by outside Certified Public Accounting firms must be received by October 1, 2012.
- Final reports audited by outside Certified Public Accounting firms must be received by October 15, 2012.
- Information must not have errors exceeding materiality level of **\$1.0 million**.
- GAAP adjustments and other information for all funds must be received by September 4, 2012.

Certification Letter

Departments must submit a separate certification letter for each fund along with their year-end reports. The certification letter must provide a complete list of the year-end reports submitted for the fund, as well as a signed statement certifying those reports as being true and correct. Since the certification statement applies to all of the listed reports, it is not necessary to individually sign each report. Department managers who prefer to sign each report may continue to do so; however, a certification letter must still be submitted with the reports.

All certification letters must include the following:

Reminder

- Date.
- Department name.
- Department number.
- The name and number of the fund and subfunds submitted.
- A list of the reports submitted within each fund. If there is nothing to report, note this on the certification letter as “no activity to report”.
- A contact person, phone number, and **e-mail address** for each set of fund reports.
- Department mailing address and the name and e-mail addresses for the department Director and Chief of Accounting.
- A certification statement signed by the officer responsible for fiscal administration.

Certificate for Achieving Excellence in Financial Reporting (cont.):**Certification
Letter
(cont.):****For CALSTARS Departments Submitting Reports Electronically:**

Include a paragraph on your certification letter stating you're a participant in CALSTARS Auto Year-End. Note if you're a first-time participant in the automated statement process, remember to include hard copies of the Reports Nos. 1, 2, 3 and 5 along with the CSYDB3-1. The following is a *sample* paragraph:

Governmental Accounting Advisory Board (1234) is a participant in CALSTARS Auto Year-End. Year-end accruals and adjustments were transmitted to your office on X/XX/2012 for Fund XXXX. The CSYDB3-1 report listed below is in lieu of Report No. 1, Report No. 2, Report No. 3, Report No. 5, and Report No. 15.

Memorandum

State Controller's Office

July 31 20XX

Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816

Example No. 1 ***Governmental*** ***Cost Fund***

Governmental Accounting Advisory Board (1234)

Prepared by: Department of XYZ (7890) →

123 Elm Street

Sacramento, CA 95816

Mr./Ms. I. M. Director, IMD@gaab.ca.govMr./Ms. I.M. Chief of Accounting, IMCOA@gaab.ca.gov

Insert your department name and number. If you prepare statements for a department other than your own, ensure the accuracy of the information.

The four-digit org code will be used to log the statements in as received.

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year-ended June 30, 20XX are enclosed:

GENERAL FUND (0001)

<u>Report No.</u>	<u>Description</u>
1	Report of Accruals to Controller's Accounts
2	Accrual Worksheet
3	<i>No Activity to Report</i> for Adjustments to Controller's Accounts
4	Statement of Revenue
5	Final Reconciliation of Controller's Accounts with Final Budget Report
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
15	Reconciliation of Agency Accounts with Transactions per State Controller

SPECIAL REPORTS ←

List the Report Nos. 14, 18, 19, and 22 separate from the other reports under the heading "Special Reports".

<u>Report No.</u>	<u>Description</u>
14	Bank and/or Savings and Loan Association Accounts Outside the State Treasury
18	Statement of Changes Capital Assets Group of Accounts
19	Statement of Capital Assets Group of Accounts
22	No Contingent Liabilities to report

Contact Person: Bud G. Tary
Phone No: (916) 555-1234
Email: Bud.G.Tary@gaab.ca.gov

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 1st day of August, 20XX, at Sacramento, California.

Signature of Officer
Name and title of Officer

Memorandum

State Controller's Office

July 31, 20XX

Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816

Governmental Accounting Advisory Board (1234)
123 Elm Street
Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

Example No. 2
CALSTARS
Automated
Governmental
Cost Fund

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The Governmental Accounting Advisory Board (1234) is a participant in CALSTARS Auto Year-End. Year-end accruals and adjustments for Fund 0001 were transmitted to your office on July 28, 20XX. The CSYDB3-1 report listed below is in lieu of Report No. 1, Report No. 2, Report No. 3, Report No. 5, and Report No. 15.

The following financial reports for the fiscal year-ended June 30, 20XX are enclosed:

GENERAL FUND (0001)

<u>Report No.</u>	<u>Description</u>
CSYDB3-1	Automated SCO Year-End Report - Final
3	Adjustments to Controller's Accounts (annotated backup only)
4	Statement of Revenue
6	Final Budget Report
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance

SPECIAL REPORTS ← *List the Report Nos. 14, 18, 19, and 22 separate from the other reports under the heading "Special Reports".*

<u>Report No.</u>	<u>Description</u>
14	Bank and/or Savings and Loan Association Accounts Outside the State Treasury
18	Statement of Changes in Capital Assets Group of Accounts
19	Statement of Capital Assets Group of Accounts
22	No Activity to Report for Contingent Liabilities

Contact Person: Bud G. Tary
Phone No: (916) 555-1234
Email: Bud.G.Tary@gaab.ca.gov

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 1st day of August, 20XX, at Sacramento, California.

Signature of Officer
Name and title of Officer

Memorandum

State Controller's Office

July 31, 20XX

Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816

Governmental Accounting Advisory Board (1234)

123 Elm Street

Sacramento, CA 95816

Mr./Ms. I. M. Director, IMD@gaab.ca.govMr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

Example No. 3 ***Nongovernmental*** ***Cost Fund***

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year-ended June 30, 20XX are enclosed:

NONGOVERNMENTAL COST FUND (4321)

<u>Report No.</u>	<u>Description</u>
3	No Adjustments to Controller's Accounts to report
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
9	Analysis of Change in Fund Balance
13	Report of Expenditures of Federal Funds (<u>copy only to SCO</u> - <i>original</i> send to DOF, FSCU)
20	Statement of Financial Condition

SPECIAL REPORTS

← ***List the Report Nos. 14, 18, 19, and 22 separate from the other reports under the heading "Special Reports".***

<u>Report No.</u>	<u>Description</u>
14	Bank and/or Savings and Loan Association Accounts Outside the State Treasury (Submitted with the General Fund*)
18	Statement of Changes in Capital Assets Group of Accounts
19	Statement of Capital Assets Group of Accounts (<u>Submitted with the General Fund*</u>)
22	Statement of Contingent Liabilities (No activity to report)

Contact Person: Bud G. Tary

Phone No: (916) 555-1234

Email: Bud.G.Tary@gaab.ca.gov

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 1st day of August, 20XX, at Sacramento, California.

Signature of Officer

Name and title of Officer

Typically, Report Nos. 14 and 19 are included with the General Fund, but not always.

Year-End Reports Checklist

Purpose

The *Year-End Reports Checklist*, beginning on the following page, is for use by departments to ensure the year-end reports are accurate and complete and comply with instructions set forth in this manual.

Year-End Reports Checklist (cont.):

- _____ 1. Department name, org code, fund name, and fund number appear on all reports.
- _____ 2. Reports have been prepared for all funds that had activity during the reporting year and/or balances on June 30.
- _____ 3. Department obtained prior approval from the State Controller's Office (SCO) to use computer-generated year-end reports.
- _____ 4. Reports for Bond Funds and Special Deposit Funds have been prepared for **each subfund. For the Special Deposit Fund, include a consolidated report.**
- _____ 5. Reports have been prepared for Non-Treasury Trust (NTT) Funds; Fund No. 0990 (i.e., money or property held in trust by a state department that is not required to be deposited in a fund in the State Treasury).
- _____ 6. "SCO Use Only" areas on Report Nos. 1, 3, and 5 are left blank, unless something is pre-printed in that area.

Certification Letter:

- _____ 1. Only one fund is listed on the cert letter, with the exception of bond fund subfunds.
- _____ 2. Department name and org code appear on the letter as well as the **mailing address, names of the department Director and Chief of Accounting and their respective e-mail addresses.**
- _____ 3. Fund name and number.
- _____ 4. All required reports are listed for each fund. If there are no amounts to report, include the statement "No Activity to Report" beside the appropriate report number.
- _____ 5. Contact name, phone number, and **e-mail address** are listed for each fund.
- _____ 6. Included on the letter is a statement certifying the listed reports as being true and correct and signed by the officer responsible for fiscal administration. See SAM Section 7951 for an example of the certification statement.
- _____ 7. On each of your fund certification letters identity the fund that will include your department's Report of Bank and/or Savings and Loan Association Accounts Outside the State Treasury – Form 445 (Report No. 14) and your department's Statement of Capital Assets (Report No. 19) with its fund statements.

Year-End Reports Checklist (cont.):

Report of Accruals to Controller's Accounts (Report No. 1):

- _____ 1. Department name, four-digit org code, fund name, and fund number appear on every page.
- _____ 2. All amounts appear in dollars and cents and without dollar signs.
- _____ 3. Amount and encumbrance columns are left blank for accounts without accruals and encumbrances.
- _____ 4. Total debits equal total credits for accruals and encumbrances.
- _____ 5. Credit amounts appear without brackets or minus signs.
- _____ 6. General ledger account numbers are the lowest level from the Uniform Codes Manual.
- _____ 7. For accruals to Due from Other Funds (GL 1410) and Due to Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved and department involved. Format your supplementary Due To/From information using the example on page 20 of this manual.
- _____ 8. For accruals to Interfund Loans Receivable (GL 2170) and Interfund Loans Payable (GL 4050), subsidiary numbers are shown reflecting the fund number of the other fund involved.
- _____ 9. The unencumbered amount Due from Other Funds (GL 1410.XXXX) agrees with the unencumbered amount Due to Other Funds (GL 3114.XXXX) in the related fund. Format your supplementary Due To/From org code information using the example on page 20 of this manual. *Reminder:* Submit two copies of the Supplementary Due To/From form to the SCO.
- _____ 10. For Prepayments to the Architecture Revolving Fund (GL 1730) and corresponding Reserve for Prepaid Items (GL 5330), fund number 0602 is shown as the subsidiary number.
- _____ 11. *Reminder:* A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).
- _____ 12. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the general ledger account number for the related receivable preceded by a zero.
- _____ 13. Prepayments to the Service Revolving Fund (GL 1730.0666) are not included on the report.

Year-End Reports Checklist (cont.):

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- _____ 14. Debit and credit signs for encumbrances are the same as the related accruals.
- _____ 15. Encumbrances reported for assets and liabilities do not exceed the related accruals.
Follow the criteria for reporting encumbrance, beginning on page 71 of this manual.
- _____ 16. *Reminder:* For encumbrances funded by reimbursements, encumbrances are reported for the reimbursement account and corresponding receivable account.
- _____ 17. Accruals are not reported for Encumbrances (GL 6150) and Reserve for Encumbrances (GL 5350).
- _____ 18. Accruals and/or encumbrances to accounts not preprinted on Form 571C are posted to Form 571D.
- _____ 19. No expenditure or transfer accruals are reported for reverted appropriations that will not be revived by SCO in the current year.
- _____ 20. Accruals for abatements or reimbursements to reverted appropriations are credited to Refunds to Reverted Appropriations. The fiscal year should be prior year.
- _____ 21. Accruals on Forms 571A, 571B, and 571A/B agree with column totals on Report No. 2. (The Deferred Credits column may contain accruals for more than one general ledger account, which should be included on these forms as separate entries.)
- _____ 22. Accruals on Forms 571A, 571B, and 571A/B agree with the general ledger account balances on the Post-Closing Trial Balance (Report No. 8) and the Pre-Closing Trial Balance (Report No. 7), excluding the nominal accounts and Fund Balance--Clearing or amounts already on the Controller's balances.
- _____ 23. Accruals on Forms 571C and 571D agree with the Net Total Accruals per Agency column on Report No. 2, but with the opposite signs.
- _____ 24. For Revenue Collected in Advance (GL 3410) or Reimbursements Collected in Advance (GL 3420), the accrual amount does not include amounts previously remitted to the SCO; the amount reported should only include the amount remaining in General Cash as of June 30.
- _____ 25. Department General Cash (GL 1110) has a debit balance.
- _____ 26. General Ledger account number agrees with account description.

Year-End Reports Checklist (cont.):

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- _____ 27. Surplus Money Investment Fund (SMIF) quarterly or semi-annual interest earned as of June 30 is accrued.
- _____ 28. For every amount, there is a "D" or "C" listed in the "D/C" column.
- _____ 29. Explain abnormal balances.
- _____ 30. No accruals are posted for the following: Categories 94, 95, 96, 98 and 99.
- _____ 31. Program 99 has a zero balance.

Accrual Worksheet (Report No. 2):

- _____ 1. Column totals agree with the general ledger account balances on Report No. 8 and Report No. 7, excluding the nominal accounts and Fund Balance--Clearing. (The Deferred Credits column on Report No. 2 may contain accruals for more than one general ledger account.)
- _____ 2. For Revenue Collected in Advance (GL 3410) or Reimbursements Collected in Advance (GL 3420), the amount reported does not include the amounts previously remitted to the SCO; the amount reported should only include the amount in General Cash.
- _____ 3. Prepayments to Other Funds (GL 1730) and Advances to Other Funds (GL 2120) are included on Report No. 2.
- _____ 4. Provision of Deferred Receivables, Revenue Collected in Advance, Reimbursements Collected in Advance, Uncleared Collections, and the Revolving Fund Adjustment lines should net to zero in the Net Total Accruals per Agency column.
- _____ 5. For shared funds, the grand total agrees with Fund Balance--Clearing (GL 5570) on Report No. 8.
- _____ 6. The grand total agrees with the total "Apply Current Year Accruals" on the Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15).

Adjustments to Controller's Accounts (Report No. 3):

- _____ 1. For governmental cost funds, the amounts reported should be the adjustments submitted to the SCO after July 1 that are needed to correct the account balances on the SCO cash basis records as of June 30.

Year-End Reports Checklist (cont.):

Adjustments to Controller's Accounts (Report No. 3) (cont.):

- _____ 2. For nongovernmental cost funds, the amounts reported should be the adjustments to the following general ledger accounts that are needed to bring the department's balances into agreement with the SCO cash basis records as of June 30 for: Cash in State Treasury (GL 1140), Deposits in Surplus Money Investment Fund (GL 1210), Prepayments to Other Funds (GL 1730), and Advances to Other Funds (GL 2120).
- _____ 3. Department name, four –digit org code, fund name, and fund number appear on every page.
- _____ 4. All amounts appear in dollars and cents and without dollar signs.
- _____ 5. Amount column is left blank for accounts without adjustments.
- _____ 6. Total debits equal total credits.
- _____ 7. Credit amounts appear without brackets or minus signs.
- _____ 8. General Ledger account numbers are the lowest level from the Uniform Codes Manual.
- _____ 9. For adjustments to Due From Other Funds (GL 1410) and Due To Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund and department involved. Format your supplementary Due To/From org code information using the example on page 20 of this manual.
- _____ 10. *Reminder:* A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).
- _____ 11. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the general ledger account number for the related receivable preceded by a zero.
- _____ 12. For governmental cost funds only, adjustments to accounts not preprinted on Form 576B are posted to Form 571D.
- _____ 13. For governmental cost funds only, no adjustments are reported for reverted appropriations that will not be revived by SCO in the current year.
- _____ 14. Attachments explaining the adjustments (e.g., copy of the SCO Transaction Request form) accompany the Report No. 3, with each adjustment on the Report No. 3 cross-referenced to the appropriate attachment.

Year-End Reports Checklist (cont.):

Adjustments to Controller's Accounts (Report No. 3) (cont.):

_____ 15. The adjustments on the Report No. 3 agree with the attachments.

_____ 16. Font size for accounts and amounts is no smaller than 10.

Revisions to Year-End Reports:

- _____ 1. ***Reminder:*** This report contains the revisions needed to correct the amounts previously submitted on Report Nos. 1, 3 (GC Funds) or 7 (NGC Funds). Do not submit another complete set. Submit only the reports affected by the change(s). For nongovernmental cost funds, the amount on the revision form should only be the difference between the original amount as reported for a specific GL account on the original Pre-closing Trial Balance (Report No. 7) and the correct amount.
- _____ 2. The amounts on this report, plus the amounts on the Report Nos. 1 and 3 that were originally submitted to the SCO, agree with the department's revised balances.
- _____ 3. Department name, four-digit org code, fund name, and fund number appear on every page.
- _____ 4. All amounts appear in dollars and cents and without dollar signs.
- _____ 5. Total debits equal total credits.
- _____ 6. Credit amounts appear without brackets or minus signs.
- _____ 7. General ledger account numbers are the lowest level from the Uniform Codes Manual.
- _____ 8. For revisions to Due From Other Funds (GL 1410) and Due To Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved. Format your supplementary Due To/From org code information using the example on page 20 of this manual.
- _____ 9. ***Reminder:*** A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).
- _____ 10. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the general ledger account number for the related receivable preceded by a zero.
- _____ 11. Attachments explaining the revisions accompany this report with each adjustment on the report cross-referenced to the appropriate attachment.

Year-End Reports Checklist (cont.):

Final Statement of Revenue (Report No. 4):

- _____ 1. Only current year revenue is reported.
- _____ 2. Revenues agree with the current year revenues on Report No. 15.
- _____ 3. Total revenue agrees with current year revenue (GL 8000) on Report No. 7 (not applicable to CALSTARS departments since both current year and prior year revenues are combined in GL 8000).
- _____ 4. Accruals agree with Report No. 1, Forms 571C and 571D.
- _____ 5. Adjustments to Controller's Accounts agree with Report No. 3, Form 576B.

Final Reconciliation of Controller's Accounts With Final Budget Report/Agency Records (Report No. 5):

- _____ 1. Preprinted amounts are not altered.
- _____ 2. If the department does not agree with any preprinted amount, a footnote is provided to indicate the amount per the department's records.
- _____ 3. All amounts appear in dollars and cents.
- _____ 4. Adjustments to Controller's accounts agree with Report No. 3, Form 576B.
- _____ 5. Accruals agree with Report No. 1, Forms 571C and 571D.
- _____ 6. Adjustment to Controller's accounts and accruals are posted to both the expenditure column and the appropriation balance column.
- _____ 7. Executive Orders and/or Budget Revisions approved by the Department of Finance by June 30 but not yet recorded on the Controller's records are summarized on the Pending Budget Revisions, Allocation Orders, and Executive Orders line in the appropriation balance column. **See number 9 of these instructions on the next page.**
- _____ 8. Allocation orders not yet recorded on the Controller's records as of June 30 are summarized on the Pending Budget Revisions, Allocation Orders, and Executive Orders line in the appropriation balance column. **See number 9 of these instructions on the next page.**

Year-End Reports Checklist (cont.):

Final Reconciliation of Controller's Accounts With Final Budget Report/Agency Records (Report No. 5) (cont.):

- _____ 9. *Reminder* Include support documentation for amounts reported as in increase/decrease on the Pending Budget Revision, Allocation Order, or Executive Order line of the Final Reconciliation with Controller's Accounts with the Final Budget Report (Report No. 5), in the form of a copy of an executive order, allocation order, or budget revision.
- _____ 10. Expenditures agree with the corresponding expenditures on Report No. 15.
- _____ 11. Individual and total appropriation balance is zero or a credit amount.

Pre-Closing Trial Balance (Report No. 7):

- _____ 1. All amounts appear in dollars and cents and without dollar signs.
- _____ 2. Amount column is left blank for accounts without amounts.
- _____ 3. *Reminder* Use "GLAN" as the column heading for the general ledger account numbers. See page 107 of this manual for an example.
- _____ 4. Total debits equal total credits.
- _____ 5. Credit amounts appear without brackets or minus signs.
- _____ 6. General ledger account numbers are the lowest level from the Uniform Codes Manual.
- _____ 7. For Due From Other Funds (GL 1410) and Due To Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved. CALSTARS departments must attach Report GO2 "Subsidiaries on File". Format your supplementary Due To/From org code information using the example on page 20 of this manual.
- _____ 8. For Prepayments to the Architecture Revolving Fund (GL 1730) and corresponding Reserve for Prepaid Items (GL 5330), fund number 0602 is shown as the subsidiary number. CALSTARS departments must attach Report GO2 "Subsidiaries on File."
- _____ 9. *Reminder:* A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).

Year-End Reports Checklist (cont.):

Pre-Closing Trial Balance (Report No. 7) (cont.):

- _____ 10. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the general ledger account number for the related receivable preceded by a zero. CALSTARS departments must attach Report GO2 "Subsidiaries on File."
- _____ 11. Encumbrances (GL 6150) and Reserve for Encumbrances (GL 5350) are not shown on this report.
- _____ 12. *Reminder* For non-shared funds, Cash in State Treasury (GL 1140) should be a debit balance. If a credit balance, a footnote is provided with an explanation.
- _____ 13. A footnote is provided disclosing the terms of any loan or interest payment(s) that will be repaid within the year.

Special Instructions for the Federal Trust Fund *ONLY*:

- _____ 1. Due From Federal Government (GL 1510) is used only in the Federal Trust Fund, or any other fund in which federal monies are directly deposited.
- _____ 2. Revenue should equal expenditures; inflows must equal outflows. *All nominal accounts net to ZERO.*
- _____ 3. Fund Balance-Unappropriated (GL 5530) must be zero unless money is being returned to the federal government in the upcoming fiscal year.
- _____ 4. A credit balance in GL 5530 is explained in a footnote. A balance in this account is an automatic disqualifier from achieving the certificate.
- _____ 5. A debit balance in GL 5530 is an overdraft that must be corrected prior to submitting reports. A balance in this account is an automatic disqualifier from achieving the certificate.
- _____ 6. Cash in State Treasury (GL 1140) must equal total of appropriation control "C" accounts and grant account (1944) "C" accounts.

Post-Closing Trial Balance (Report No. 8):

- _____ 1. Asset and liability amounts agree with Report No. 7.
- _____ 2. For non-shared funds, Fund Balance-Unappropriated (GL 5530) has a credit balance or zero balance.
- _____ 3. An explanation is provided for any deficit (debit) Fund Balance-Unappropriated (GL 5530).

Year-End Reports Checklist (cont.):

Analysis of Change in Fund Balance (Report No. 9):

- _____ 1. The beginning fund balance agrees with the ending fund balance from the previous year's Report No. 9 (except for CALSTARS shared funds).
- _____ 2. A footnote is provided to explain adjustments that changed the previous year's ending fund balance.
- _____ 3. Receipts and disbursements agree with Report No. 7.
- _____ 4. The ending fund balance agrees with the fund balance on Report No. 8.
- _____ 5. The fund balance for the Federal Trust Fund is zero.

Report of Bank Accounts Outside the Treasury System (Report No. 14):

- _____ 1. Only one report has been prepared for the department. Use Form STD 445, revised 6-98. *Reminder:* Indicate on each certification letter which funds' statements will include the Report No. 14 for your department. (see sample cert letter on page 39 of this manual)
- _____ 2. Department name and four-digit org code appear on the report.
- _____ 3. If there are no accounts outside the State Treasury, this is indicated on the Report No. 14, as "No Accounts Outside the State Treasury" or as "No Activity to Report" on the certification letter.

Reconciliation of Agency Accounts With Transactions Per State Controller (Report No. 15):

- _____ 1. All amounts appear in dollars and cents.
- _____ 2. Amounts in the Transactions per Controller column agree with the balances on the Controller's records as of June 30.
- _____ 3. Amounts reflected in the Reverse Prior Year Accruals and Reverse Prior Year Adjustments to Controller's Accounts columns agree with the amounts reflected in the Apply Current Year Accruals and Apply Current Year Adjustments to Controller's Accounts columns, respectively, on the previous year's Report No. 15.
- _____ 4. Amounts reflected in the Reverse Prior Year Adjustment Made by SCO agree with the amounts in the SCO's Prior Year Accrual Summary report, but with the opposite signs.

Year-End Reports Checklist (cont.):

Reconciliation of Agency Accounts With Transactions Per State Controller (Report No. 15) (cont.):

- _____ 5. Amounts reflected in the Apply Current Year Accruals column agree with the accruals on Report No. 2, but with the opposite signs.
- _____ 6. Amounts reflected in the Apply Current Year Adjustments to Controller's Accounts column agree with the adjustments on Report No. 3.
- _____ 7. Total of the left side of the report agrees with the total of the Transactions for Agency Accounts columns on the right side of the report.
- _____ 8. Totals in the Transactions for Agency Accounts columns agree with the nominal account balances in Report No. 7.
- _____ 9. For shared funds, total of the Apply Current Year Accruals column agrees with the Fund Balance--Clearing (GL 5570) amount on Report No. 8 and the grand total on Report No. 2, but with the opposite sign.

Statement of Changes in Capital Assets (Report No. 18):

- _____ 1. *Reminder:* A separate report has been prepared for each fund, except for proprietary and fiduciary funds that were acquired with non-General Fund monies. (see sample cert letter on page 39 of this manual) Also, check the SAM manual for updates on the new reporting requirements for intangible assets as prescribed by GASB 51.
- _____ 2. Beginning balances agree with the previous year's ending balances.
- _____ 3. A footnote is provided if an adjustment to the beginning balance is needed.
- _____ 4. Ending balances are debit amounts.

Statement of Capital Assets (Report No. 19):

- _____ 1. Total of all capital assets of the department is reflected in the report.
- _____ 2. Ending balance agrees with the total ending balances on all Report No. 18's. Also, check the SAM Sections 8615 and 8635 for the reporting requirements for intangible assets as prescribed by GASB 51.
- _____ 3. Indicate on each certification letter which funds' statements will include the Report No. 19 for your department

Year-End Reports Checklist (cont.):

Statement of Financial Condition (Report No. 20):

_____ 1. Amounts agree with Report No. 8.

Statement of Contingent Liabilities (Report No. 22):

_____ 1. Amounts on this report are not reflected in any general ledger account.

Budgetary/Legal Basis Fund Groups

Governmental Cost Funds

On the budgetary/legal basis, there are two main fund groups: Governmental Cost Funds and Nongovernmental Cost Funds.

Governmental Cost Funds consist of those funds that receive revenues derived from taxes, licenses, and fees. Expenditures of these funds represent the cost of government. There are two major fund classifications in this group: the General Fund and Special Funds. The purpose of each fund classification is described below:

The *General Fund* is the main operating fund of the State consisting of moneys that are not required by law to be deposited in any other fund.

Special Funds are used to account for resources that are legally restricted for particular functions or activities of government. The following are classified as special funds:

- *General Fund Special Accounts* are legislatively created accounts within the General Fund to account for revenues that are restricted by law for specific purposes. The accounts are treated as special funds and are excluded from the General Fund for accounting and budgetary purposes.
- *Feeder Funds* are the depositories for the collection of major taxes prior to clearance to the General Fund. The resources and obligations of these funds that apply to the General Fund as of June 30 are included in Due from Other Funds. Resources and obligations remaining in any of these funds represent collections that were not available to the General Fund on June 30.
- *Transportation Funds* are used to account for revenues that are restricted by law to transportation and related public safety programs.
- *Other Governmental Cost Funds* are used to account for other revenues that are restricted by law for specific purposes.

Budgetary/Legal Basis Fund Groups (cont.):

Nongovernmental Cost Funds

Nongovernmental Cost Funds consist of those funds that derive their revenue from sources other than general and special taxes, licenses, fees, or other state revenue. Expenditures of these funds do not represent a cost of government. There are three major fund classifications under this group: Bond Funds, Trust and Agency Funds – Federal, and Other Nongovernmental Cost Funds. The purpose of each fund classification is described as follows:

Bond Funds are used to record proceeds from the sale of general obligation bonds and expenditures for the acquisition of property and capital outlay. They are also used to record loans to local departments for the same purposes.

Trust and Agency Funds - Federal are used to account for moneys that are received from the federal government to be expended for specific purposes.

Other Nongovernmental Cost Funds are used to account for the following revenues and services:

- *Public Service Enterprise Funds* are used to account for transactions of state-operated enterprises that render services primarily to the public for a charge.
- *Working Capital and Revolving Funds* are used to account for the internal service activities rendered by a state department for other state departments or local governments.
- *Retirement Funds* are used to account for contributions received by various retirement systems, the investment of these moneys, retirement allowances, and refunds to members.
- *Trust and Agency Funds - Other* are used to account for moneys and properties that are received and disbursed by the State as trustee or custodian.

Governmental Cost Funds

Report of Accruals to Controller's Accounts (Report No. 1)

Purpose

The Report of Accruals to Controller's Accounts (Report No. 1) is a computer input document containing accrual transactions for amounts reflected in the department's records but not posted in the SCO cash basis accounts as of June 30. The accrual amounts are obtained from the Accrual Worksheet (Report No. 2), which provides departments with a uniform and systematic method of compiling the accruals.

Report No. 1 also contains the encumbrances included in the accruals entered on this report. Follow the specific instructions for reporting encumbrances, beginning on page 71 of this manual.

The amounts on Report No. 1 are combined with the amounts from the SCO cash basis accounts to produce the Budgetary/Legal Basis Annual Report.

Report No. 1 consists of the following forms:

Forms 571A and 571B: Designed to report accruals to asset and liability accounts. Commonly used general ledger account numbers are preprinted.

Form 571 A/B: Designed to report accruals to any asset or liability accounts not preprinted on Forms 571A or 571B.

Form 571C: Designed to report accruals to disbursement, reimbursement, transfer, and receipt accounts. This is a computer-generated form containing preprinted account numbers and titles.

Form 571D: Designed to report accruals to disbursement, reimbursement, transfer, and receipt accounts not preprinted on Form 571C (e.g., accruals to accounts that reverted to the fund balance as of June 30 and were subsequently revived by the SCO, and/or accruals to accounts that were not set up on the SCO records by June 30).

Since Report No. 1 is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).
- Leave amount column blank for accounts with zero activity.
- Total debits must equal total credits for accruals and for encumbrances.

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 1. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Forms 571A, 571B, and 571A/B

- | | | |
|----------|--|--|
| 1 | Department Name and Number: | Enter department name and number. |
| 2 | Fund Name and Number: | Enter fund name and corresponding four-digit fund code. |
| 3 | Name of Contact Person and Title: | Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title |
| 4 | Telephone Number: | Enter the contact person's telephone number. |
| 5 | E-mail Address: | Enter the contact person's e-mail address. |
| 6 | Account: | <ul style="list-style-type: none"> • General Ledger account numbers for commonly used accounts are preprinted on Forms 571A and 571B. If the appropriate account number is not preprinted on these forms, enter the proper four-digit account number on Forms 571B or 571A/B using the lowest level account numbers listed in the Uniform Codes Manual. Do not enter a subsidiary number unless it is required, as discussed below. |

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

6 Account (cont.):

Require a
four-digit
ORG code as
the subsidiary

- Enter the four-digit fund or org code immediately following the general ledger account numbers listed below to identify the other fund or organization involved in an interfund transaction.

1410.XXXX Due from Other Funds

1730.XXXX Prepayments to Other Funds or
Appropriations

1420.XXXX Due from Other Appropriations

3115.XXXX Due to Other Appropriations

3114.XXXX Due to Other Funds

5330.XXXX Reserve for Prepaid Items

2170.XXXX Interfund Loans Receivable

4050.XXXX Interfund Loans Payable

- Include the four-digit org code of the department involved in the transaction as the subsidiary numbers for General Ledger Account Nos. 1420, Due from Other Appropriations, and 3115, Due to Other Appropriations,
- Enter a four-digit general ledger accounts receivable code immediately following the general ledger account numbers listed below to identify the related receivable. The code must be preceded by a "0."

1390.0XXXXX Allowance for Uncollectible Accounts

1600.0XXXXX Provision for Deferred Receivables

The amount reported for either of the two general ledger accounts must not exceed the accrued amount of its related receivable.

Reminder

- For all departments, the unencumbered amount of the Due from Other Funds (GL 1410.XXXX) must equal the related unencumbered amount of the Due to Other Funds (GL 3114.XXXX). Departments need to coordinate related amounts reported to ensure they equal.

Using the format on page 20 of this manual as a guide, provide SCO with the supplementary information identifying the org code(s) and org name(s) related to the Due To/From Other Fund transactions submitted on your Report No. 1.

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- 7A Amount:** Post the total accruals from the Accrual Worksheet (Report No. 2) to the appropriate general ledger accounts. Do not post the amounts for Prepayments to Service Revolving Fund from Report No. 2 since the SCO records already reflect these balances.
- 7B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 7C Net Debits/Credits:** Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C."
- 8A Encumbrances:**
- Follow the guidelines on reporting encumbrances, as outlined on in this manual, beginning on page 71.
 - Enter any encumbrance amounts that are included in the accruals reported in the "Amount" column. The encumbrance amount must not exceed the accrual.
 - Do not report encumbrances to General Ledger Account No. 3020, Claims Filed.
 - Do not report accruals for General Ledger Account Nos. 5350, Reserve for Encumbrances and 6150, Encumbrances.
 - If the accruals less the encumbrance for accounts payable, GL 3010, is not a true accounts payable liability, it should be reclassified to the true liability GL account (s): 3114, 3115, 3220, and 3290, to avoid overstating accounts payable.
 - All accrued reimbursements that will fund the accrued encumbrances should remain in their respective asset accounts (1312, 1410, 1510, and 1590).
- 8B D/C (Debit or Credit):** Enter a "D" when the encumbrance amount in the "Encumbrances" column is a debit and "C" when the amount is a credit. The encumbrance should have the same "D" or "C" sign as the corresponding accrued asset or liability.

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- 8C Net Debits/Credits:** Enter the net of the debits and credits of the "Encumbrances" column and identify as a "D" or "C."
- Form 571C*
- 9 Account Description:** The titles of each disbursement, reimbursement, transfer, and receipt account is printed in this column. These accounts are the same as those on the monthly agency reconciliation reports.
- Accruals for abatements or reimbursements to reverted accounts must be credited to Receipt Account No. 0500000, Refunds to Reverted Appropriations.
 - If there are accruals to accounts not preprinted on this form, add the accounts on Form 571D (see instructions for Form 571D). Do not add accounts on Form 571C.
- 10 FY:** A four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account is printed in this column.
- 11 M:** This column is for State Controller's Office use only.
- 12 REF/ITEM:** The reference item corresponding to each disbursement, reimbursement, and transfer account is printed in this column.
- 13 CA through TSK:** The appropriate category, program, element, component, and/or task corresponding to each disbursement and reimbursement account are printed in these columns. DO NOT post accruals to categories 94, 95, 96, 98, or 99.
- 14 T:** The appropriate letter identifying the account type, as shown below, is printed in the column.
- D – Disbursement Account
F – Reimbursement or "Amount Payable From" Account
T – Transfer to Other Funds Account
R – Receipt Account

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- 15 SFUND:** The source fund corresponding to each reimbursement account is printed in this column. The source fund consists of a four-digit fund code with a three-digit subfund code. If there is no subfund detail, the spaces following the four-digit fund code will be filled with zeros.
- 16 B:** A number (1, 2, or 3) shown in this column indicates the account is blocked.
- 17 Account:** The account number corresponding to each receipt account is printed in this column. The first space will be coded as a zero.
- 18A Accrual Amount:** Post the net accruals from the Accrual Worksheet (Report No. 2) to the appropriate disbursement, reimbursement, transfer, or receipt account.
- 18B D/C (Debit or Credit):** Enter a "D" when the amount in the "Accrual Amount" column is a debit and a "C" when the amount is a credit.
- 18C Net Debits/Credits:** Enter the net of the debits and credits in the "Accrual Amount" column and identify as a "D" or "C."
- 19A Encumbrances:**
- Enter the amount of encumbrances included in the accrual for each appropriation item. Encumbrances must be posted to the proper detail account (e.g., category, program).
 - The total encumbrances for each appropriation item must not exceed the total accrued liability account (e.g., A/P or Due To) for that appropriation as shown on the Accrual Worksheet (Report No. 2).
 - If encumbrances are reported on a pass-through fund, be sure to include the corresponding receivable and reimbursement.
- 19B D/C (Debit or Credit):** Enter a "D" when the encumbrance amount in the "Encumbrance" column is a debit and a "C" when the amount is a credit.
- 19C Net Debits/Credits:** Enter the net of the debits and credits in the "Encumbrance" column and identify as a "D" or "C."

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

Form 571D

- | | | |
|------------|--|--|
| 20 | Appropriation and Revenue Account Titles: | Enter the title of the disbursement, reimbursement, transfer, or receipt account from the original set of reports that is being revised. |
| 21 | FY: | Enter the four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account. |
| 22 | M: | This column is for State Controller's Office use only. |
| 23 | REF/ITEM: | Enter the reference item corresponding to each disbursement, reimbursement, and transfer account. |
| 24 | CAT through TSK: | Enter the appropriate category, program, element, component, and/or task corresponding to each disbursement or reimbursement account. <u>Do not</u> post accruals to categories 94, 95, 96, 98 or 99. |
| 25 | T: | Enter the appropriate letter, as shown below, to identify the account type.

D – Disbursement Account
F – Reimbursement or “Amount Payable From” Account
T – Transfer to Other Funds Account
R – Receipt Account |
| 26 | SOURCE FUND: | Enter the source fund corresponding to each reimbursement account. The source fund consists of a four-digit fund code with a three-digit subfund code. If there is no subfund detail, the spaces following the four-digit fund code will be filled with zeros. |
| 27 | B: | Enter the block number (1, 2, or 3) if the account is blocked. |
| 28 | SCO: | This space is for State Controller's Office use only. |
| 29 | Revenue/Obj: | Enter the code for each receipt account. |
| 30A | Amount: | Post the net accruals from the Accrual Worksheet (Report No. 2) to the appropriate disbursement, reimbursement, transfer, or receipt account. |

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- 30B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 30C Net Debits/Credits:** Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C."
- 31A Encumbrances:**
- Follow the guidelines for reporting encumbrances as outlined in this manual, beginning on page 71.
 - Enter the amount of encumbrances included in the accrual for each appropriation item. Encumbrances must be posted to the proper detail account (e.g., category, program).
 - The total encumbrances for each appropriation item must not exceed the total accrued liability account (e.g., A/P or Due To) for that appropriation as shown on the Accrual Worksheet (Report No. 2).
 - If encumbrances are reported on a pass-through fund, be sure to include the corresponding receivable and reimbursement.
- 31B D/C (Debit or Credit):** Enter a "D" when the encumbrance amount in the "Encumbrance" column is a debit and a "C" when the amount is a credit.
- 31C Net Debits/Credits:** Enter the net of the debits and credits in the "Encumbrance" column and identify as a "D" or "C."

REPORT NO. 1 Form 571A (Rev. 3/10)

Report of Accruals to Controller's Accounts

June 30, 20XX

Page 1 of 4

SCO USE ONLY			
Document No.	C C Y Y M M D D	Fund	Agy
A			

Agency Name and Number 1 Governmental Accounting Advisory Board (1234)		Fund Name and Number 2 General Fund (0001)	
Name of Contact Person, Title 3 Bud G. Tary, Accounting Administrator		Telephone Number 4 916-555-1234	Email Address 5 Bud.G.Tary@gaab.ca.gov

ACCOUNT TITLE	8A ENCUMBRANCES	8B	6 ACCOUNT	7A AMOUNT	7B
GENERAL CASH		D	1110	4,324.50	D
REVOLVING FUND CASH		C	1130		
CASH IN TRANSIT TO STATE TREASURY			1150		
CASH ON HAND			1190		
ACCOUNTS RECEIVABLE-ABATEMENTS			1311		
ACCOUNTS RECEIVABLE-REIMBURSEMENTS			1312	22,981.50	D
ACCOUNTS RECEIVABLE-REVENUE			1313		
ACCOUNTS RECEIVABLE-OTHER			1319	72.22	D
ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS (CREDIT BAL)			1390		
DUE FROM OTHER FUNDS	22,102.62	D	1410 0890	31,933.15	D
DUE FROM OTHER APPROPRIATIONS (XXXX = four digit org code)			1420 XXXX		
DUE FROM OTHER GOVERNMENTAL ENTITIES			1590		
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL)			1600 01315	75.00	C
EXPENSE ADVANCES			1710	1,046.22	D
Net Credits/Debits	8C 22,102.62	D	Net Credits/Debits	7C 60,282.59	D

ORIGINAL - State Controller's Office, Division of Accounting and Reporting

Report of Accruals to Controller's Accounts

June 30, 20XX

Page 2 of 4

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agy
A			

Agency Name and Number Governmental Accounting Advisory Board (1234)		Fund Name and Number General Fund (0001)	
Name of Contact Person, Title Bud G. Tary, Accounting Administrator	Telephone Number 916-555-1234	Email Address Bud.G.Tary@gaab.ca.gov	

ACCOUNT TITLE	ENCUMBRANCES	D C	ACCOUNT	AMOUNT	D C
ACCOUNTS PAYABLE	39,384.20	C	3010	44,439.94	C
CLAIMS FILED			3020	16,041.33	C
DUE TO OTHER FUNDS			3114	0121	C
DUE TO OTHER APPROPRIATIONS (XXXX = four digit org code)			3115	XXXX	C
DUE TO LOCAL GOVERNMENT			3220		
REVENUE COLLECTED IN ADVANCE			3410		
REIMBURSEMENTS COLLECTED IN ADVANCE			3420		
UNCLEARED COLLECTIONS			3730		
PREPAYMENTS TO ARCHITECTURE REVOLVING FUND			1730	0602	
RESERVE FOR ARCHITECTURE REVOLVING FUND			5330	0602	
Net Credits/Debits	39,384.20	C	Net Credits/Debits	67,198.64	C

Page 3 of 4

SCO USE ONLY			
Document No.	C C Y Y M M D D	Fund	Agency
A			

Agency Name and Number Governmental Accounting Advisory Board (1234)		Fund Name and Number General Fund (0001)	
Name of Contact Person, Title Bud G. Tary, Accounting Administrator		Telephone Number 916-555-1234	Email Address Bud.G.Tary@gaab.ca.gov

ACCOUNT TITLE	ENCUMBRANCES	D C	ACCOUNT		AMOUNT	D C
ACCOUNTS RECEIVABLE--DISHONORED CHECKS			1315		75.00	D
PROVISION FOR DEFERREDD RECEIVABLES			1600	01319	72.22	C
DUE TO OTHER FUNDS			3114	0666	8,371.97	C
Net Credits/Debits	0.00		Net Credits/Debits		8,369.19	C

ORIGINAL - State Controller's Office, Division of Accounting and Reporting

68

REPORT NO: 1
PAGE NO: 1

CONTROLLER'S USE ONLY

CURSORY REVIEW

COMP. INPUT

COMP. INPUT
EXPENDITURES

REVENUES
WORKSHEET/ACC. ACCUM.

69

	9	19A **ENTER**	19B	10	11	12	13	14	15	16	17	18A **ENTER**	18B			
ACCOUNT DESCRIPTION	ENCUMBRANCE	D/C	FY	M	REF	CA	PG	EL	COM	TSK	T	SFUND	B	REV/OBJ	ACCRUAL AMOUNT	D/C
A - CONTINUING PROGRAM COSTS	39,286.14	D	2011		001			10			D				70,851.65	D
UNALLOCATED REDUCTION			2011		001		97	20			D					
B - REIMBURSEMENTS	22,102.62	C	2011		001	90					F	0001000			54,914.65	C
A - CONTINUING PROGRAM COSTS	98.06	D	2010		001			10			D				3,672.74	D
B - REIMBURSEMENTS			2010		001	90					F	0001000				
MI SCELLANEOUS REVENUE			2011								R		0161400		4,324.50	C
													</			

REPORT NO. 1 Form 571D (Rev. 3/10)

Report of Accruals to Controller's Accounts

June 30, 20XX

Page __ of __

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
A			

Agency Name and Number		Fund Name and Number	
Name of Contact Person, Title		Telephone Number	Email Address

APPROPRIATION AND REVENUE ACCOUNT TITLES	ENCUMBRANCES	D C	FY	M	REF/ ITEM	CAT	PGM	ELE	COMP	TASK	T	SOURCE FUND	B	S C O	REVENUE/ OBJECT	AMOUNT	D C
(20)	(31A)	(31B)	(21)	(22)	(23)	←		(24)		→	(25)	(26)	(27)	(28)	(29)	(30A)	(30B)
Net Debits/Credits	(31C)															Net Debits/Credits	(30C)

ORIGINAL - State Controller's Office, Division of Accounting and Reporting

Reporting of Encumbrances

The Bureau of State Audits has concluded, in some instances, the Reserve for Encumbrances has been overstated. Therefore, we feel it would be helpful to clarify how and when encumbrance accruals should be reported.

- Make sure all encumbrances and liabilities have been thoroughly reviewed for validity. A contract or purchase order must be fully executed (signed by both parties) prior to June 30, 2012 in order to accrue any encumbrance(s).
- The amount to be encumbered must directly relate to the amount of goods or services for which you have not received an invoice.

Reminder

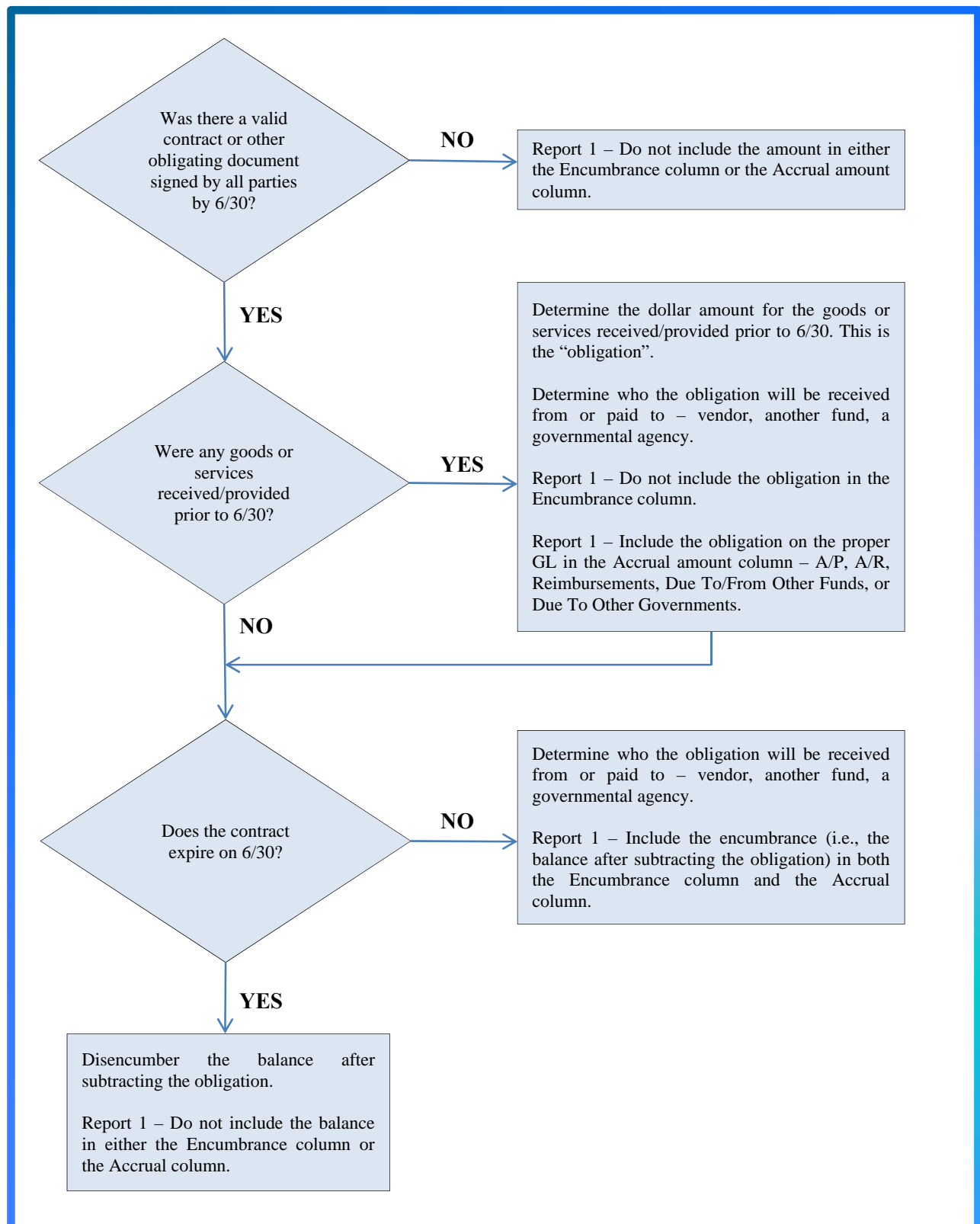
- The difference of the amount between the accrual and the encumbrance is the invoice received and is either due to a vendor (General Ledger Account No. 3010 - Accounts Payable), or another liability account. For example, any invoice received and not “due to vendors” is to be reclassified to the appropriate liability account(s) (e.g., GL No. 3220 – Due to Local Government or GL Account No. 3114.XXXX – Do to Other Funds). Likewise, the portion contracted for but not yet received (encumbered) should be in the encumbrance column on the same GL liability account line as the accrual amount. If the accrual is “Due to Local Government”, 3220, then the encumbrance should also be on GL line for 3220, adjacent to the accrual amount on the Report No. 1.

Stated another way – if the accruals less the encumbrances for accounts payable, GL 3010, is not a true accounts payable liability, it should be reclassified to the true liability GL account(s): 3114, 3115, 3220, and 3290 to avoid overstating accounts payable. Refer to pages 72-75.

- If the contract expires on June 30, 2012, accrue as a liability, only those goods or services that have been received prior to June 30th. Determine to whom the obligation will be paid and, if necessary, reclassify from Accounts Payable to Due to Other Fund(s) or Due to Other Governments. Do not record them as an encumbrance.
- The amount encumbered cannot exceed the amount accrued on any given liability line on the Report of Accruals (Report No. 1).

An encumbrance flowchart, examples, and sample Report 1 are given on the following pages.

Encumbrance Determination Decision Tree



Reporting of Encumbrances (cont.):

Encumbrance Examples

Example 1:

<u>Contract with Vendor</u>	\$	125,000	
Cash Expenditures @ 6/30		25,000	
		<u>100,000</u>	(A) Accrual Amount
6/29 Invoices for June Services		40,000	(E) Obligation
	\$	<u>60,000</u>	(B) Encumbrance

Report No. 1 Entries:

Dr. Appropriation Expenditure	(A) \$	100,000	
Cr. Accounts Payable			\$ 100,000 (G)

SCO Entries to back out encumbrances and establish Reserve for Encumbrances:

Dr. Accounts Payable	(B)	60,000	
Cr. Approp. Expenditure			60,000
Dr. Unreserved Fund Balance		60,000	
Cr. Reserve for Encumbrance			60,000

Example 2:

<u>Contract with Local Government</u>	\$	50,000	(A) Accrual Amount
6/30 Invoice for June Service		20,000	(C) Obligation
	\$	<u>30,000</u>	(I) Encumbrance

Report No. 1 Entries:

Dr. Approp. Expenditure	(A) \$	50,000	
Cr. Due to Local Government			\$ 50,000 (H)

SCO Entries to back out encumbrances and establish Reserve for Encumbrances:

Dr. Due to Local Government	(I) \$	30,000	
Cr. Approp. Expenditure			\$ 30,000
Dr. Unreserved Fund Balance	\$	30,000	
Cr. Reserve for Encumbrance			\$ 30,000

Example 3:

<u>Contract with a Department</u>	\$	10,000	(A) Accrual Amount
6/29 Invoice for June		5,000	(D) Obligation
	\$	<u>5,000</u>	(K) Encumbrance

Report No. 1 Entries:

Dr. Approp. Expenditure	(A) \$	10,000	
Cr. Due to Other Funds			\$ 10,000 (J)

Reporting of Encumbrances (cont.):

Example 3: (cont.):

SCO Entries to back out encumbrances and establish Reserve for Encumbrances:

Dr. Due to Other Funds	(K)	\$	5,000		
Cr. Approp. Expenditure				\$	5,000
Dr. Unreserved Fund Balance		\$	5,000		
Cr. Reserve for Encumbrance				\$	5,000

Example 4:

Contract Amount to Vendor		\$	40,000		
Cash Expenditure @ 6/30			9,000		
		\$	31,000	(A)	Accrual Amount
6/28 Invoice for June Services			7,000	(E)	Obligation
		\$	24,000	(B)	Encumbrance

Report No. 1 Entries:

Dr. Approp. Expenditure	(A)	\$	31,000		
Cr. Accounts Payable				\$	31,000 (G)

SCO Entries to back out encumbrances and establish Reserve for Encumbrances:

Dr. Accounts Payable	(B)	\$	24,000		
Cr. Approp. Expenditure				\$	24,000
Dr. Unreserved Fund Balance		\$	24,000		
Cr. Reserve for Encumbrance				\$	24,000

Report No. 1 and SCO Entries

Accounts Payable (GL 3010)				Appropriation Expenditure (GL 9000)			
(B) \$	60,000	\$	100,000 (G)	(A) \$	100,000	\$	60,000 (B)
(B)	24,000		31,000 (G)	(A)	50,000		30,000 (I)
			\$ 47,000 (E)	(A)	10,000		5,000 (K)
				(A)	31,000		24,000 (B)
				(F)	\$ 72,000		
Due to Local Government (GL 3220)				Due to Other Funds (GL 3114.XXXX)			
(I) \$	30,000	\$	50,000 (H)	(K) \$	5,000	\$	10,000 (J)
			\$ 20,000 (C)				\$ 5,000 (D)

Vendor Contracts	\$131,000	A/P - Report No. 1
Department Contract	5,000	Due to Other Funds - Report No. 1
Government Contract	30,000	Due to Local Government - Report No. 1
Sum of (B)'s + (K) + (I):	119,000	*Encumbrances - Report No. 1
Sum of (E)'s:	\$47,000	Invoices received and due to vendors
Sum of (E)'s:	\$47,000	A/P due to vendors
(D):	5,000	Due to Other Funds - Report No. 1
(C):	20,000	Due to Local Government - Report No. 1
(F):	\$72,000	Total of All Expenditures (Obligations)

*Post the encumbrance to the appropriate (true) liability (GL)

DO NOT post the sum of all the encumbrances into Accounts Payable (GL 3010).

See Report No. 1 Example

Report of Accruals to Controller's Accounts

June 30, 20XX

Page 1 of 1

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
A			

Sum of (G)'s:
 $100,000 + 31,000 = 131,000$

Agency Name and Number Governmental Accounting Advisory Board (1234)		Fund Name and Number General Fund (0001)	
Name of Contact Person, Title Bud G. Tary, Accounting Administrator	Telephone Number 916-555-1234	Email Address Bud.G.Tary@gaab.ca.gov	

ACCOUNT TITLE		ENCUMBRANCES	D C	ACCOUNT		AMOUNT	D C
DUE FROM OTHER GOVERNMENTAL ENTITIES				1590			
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL				*1600			
EXPENSE ADVANCES	Sum of (B)'s: 60,000 + 24,000 = 84,000			1710			
ACCOUNTS PAYABLE		84,000.00	C	3010		131,000.00	C
CLAIMS FILED				3020			
DUE TO OTHER FUNDS	(K) → 5,000.00		C	3114	0002	(J) → 10,000.00	C
DUE TO OTHER APPROPRIATIONS				3115			
DUE TO LOCAL GOVERNMENT	(I) → 30,000.00		C	3220		(H) → 50,000.00	C
REVENUE COLLECTED IN ADVANCE				3410			
REIMBURSEMENTS COLLECTED IN ADVANCE				3420	Sum of (A)'s: 100,000 + 50,000 + 10,000 + 31,000 = 191,000		
UNCLEARED COLLECTIONS				3730			
PREPAYMENTS TO ARCHITECTURE REVOLVING FUND				1730	0602		
RESERVE FOR ARCHITECTURE REVOLVING FUND							
The accruals less encumbrances = total expenditures [191,000 - 119,000 = 72,000]. The encumbrance total [119,000] is reclassified as <i>Reserve for Encumbrances</i> and shown as part of fund balance on the financial statements. and year-end.							
Net Credits/Debits		119,000.00	C	Net Credits/Debits		191,000.00	C

Accrual Worksheet (Report No. 2)

Purpose

The Accrual Worksheet (Report No. 2) provides departments with a uniform and systematic method of compiling year-end accruals. Accruals consist of the assets, liabilities, deferred credits, and the corresponding receipts and disbursements reflected in the department's records but not recorded in the SCO cash basis accounts as of June 30.

The amounts in the "Net Accruals per Agency" column, the column totals for the assets and liabilities, and the amounts in the "Deferred Credits" column are posted to the appropriate accounts on the Report of Accruals to Controller's Accounts (Report No. 1).

Amounts "Due To" and "Due From" the same fund and/or appropriations should be posted separately and not netted together.

During the processing of Report No. 1, the SCO will refer to Report No. 2 to obtain additional information that may help resolve any discrepancies.

Reminder

Program 99- Clearing Account for CALSTARS Agencies is a reserved program code and intended for, but not limited to, use with the CALSTARS Clearing Account or other Internal Service Funds such as the Water Resources Revolving Fund.

For more information regarding the use of program codes, go to the Uniform Codes Manual on the DOF's website:
http://www.dof.ca.gov/accounting/uniform_codes_manual/department_program/

June 30, 20XX
Accrual Worksheet

Included year-end accruals pursuant to the State Administrative Manual	GENERAL CASH 1110	ACCOUNTS RECEIVABLE			DUE FROM OTHER FUNDS 1400	EXPENSE ADVANCES 1710	PRE- PAYMENTS TO OTHER FUNDS 1730	ACCOUNTS PAYABLE 3010	CLAIMS FILED 3020	DUE TO OTHER FUNDS 3110	DEFERRED CREDITS 1600/3400	NET TOTAL ACCRUALS PER AGENCY
		REIMB. 1312	DIS- HONORED CHECKS 1315	OTHER 1319								
Item 1234-001-0001												
State Operations, FY 11/12												
Chapter 33/11												
A. Program 10								(44,341.88)	(18,187.86)	(8,321.91)		(70,851.65)
B. Reimbursements		22,981.50			31,933.15							54,914.65
C. Prepayments							10,000.00					10,000.00
Item 1234-001-0001												
State Operations, FY 10/11								(98.06)		(3,574.68)		(3,672.74)
Chapter 712/10												
A. Program 10												
B. Reimbursements	4,324.50		75.00	72.22							(147.22)	4,324.50
Revenue FY 11/12												
161400 Miscellaneous Revenue												
Reimbursements Collected in Advance												
Provision for Deferred Receivables												
SUBTOTAL	4,324.50	22,981.50	75.00	72.22	31,933.15	0.00	10,000.00	(44,439.94)	(18,187.86)	(11,896.59)	(147.22)	(5,285.24)
Revolving Fund Adjustment						1,046.22		2,146.53	(3,192.75)			0.00
TOTALS PER AGENCY	4,324.50	22,981.50	75.00	72.22	31,933.15	1,046.22	10,000.00	(42,293.41)	(21,380.61)	(11,896.59)	(147.22)	(5,285.24)

Adjustments to Controller's Accounts (Report No. 3)

Purpose

The Adjustments to Controller's Accounts (Report No. 3) is a computer input document containing the adjusting entries needed to correct any errors on the SCO cash basis accounts as of June 30. The adjustments on Report No. 3 are for year-end reporting purposes only and are not used to correct the SCO cash basis records. Remember to submit a transaction request to the State Accounting Section at SCO for error corrections to department accounts.

Report No. 3 consists of the following forms:

Form 576A: Designed to report adjustments to asset and liability accounts. Commonly used accounts are preprinted.

Form 576B: Designed to report adjustments to disbursement, reimbursement, transfer, and receipt accounts. This is a computer-generated form containing preprinted account numbers and titles.

Since Report No. 3 is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Adjustments to Controller's Accounts (Report No. 3) (cont.):

General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).
- Leave amount column blank for accounts with zero activity.
- Total debits must equal total credits.
- All adjusting entries must be accompanied by an attachment (e.g., transaction request, budget revision, etc.) explaining the reason for the adjustment. Each entry on Report No. 3 must be identified by a number that references an explanation identified by the same number. This number should be placed in the "Account Title" column on Form 576A and to the right of the amount on Form 576B.

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 3. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Form 576A

- | | | |
|----------|--|---|
| 1 | Department Name and Number: | Enter department name and number. |
| 2 | Fund Name and Number: | Enter fund name and corresponding four-digit fund code. |
| 3 | Name of Contact Person and Title: | Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title. |
| 4 | Telephone Number: | Enter the contact person's telephone number. |
| 5 | E-mail Address: | Enter the contact person's e-mail address. |

Adjustments to Controller's Accounts (Report No. 3) (cont.):

6 Account:

- Enter the proper four-digit account number on this form using the lowest level account numbers listed in the Uniform Codes Manual. Do not enter a subsidiary number unless it is required, as discussed below.
- Enter the four-digit fund or org code immediately following the general ledger account numbers listed below to identify the other fund or department involved in an inter-fund or intra-fund transaction.

Use the four-digit
ORG Code for the
subsidiary.number.

1410.XXXX Due From Other Funds
1730.XXXX Prepayments to Other Funds or
Appropriations
1420.XXXX Due From Other Appropriations
3115.XXXX Due To Other Appropriations
3114.XXXX Due To Other Funds
5330.XXXX Reserve for Prepaid Items
2170.XXXX Interfund Loans Receivable (replaced
1410.XXXX)
4050.XXXX Interfund Loans Payable (replaced
3114.XXXX)

- Include the four-digit org code of the department involved in the transaction as the subsidiary number for General Ledger Account Nos. 1420, Due From Other Appropriations, and 3115, Due To Other Appropriations.

Reminder

- Enter a four-digit general ledger accounts receivable code immediately following the general ledger account numbers listed below to identify the related receivable. The code must be preceded by a "0."

1390.0XXXXX Allowance for Uncollectible Accounts
1600.0XXXXX Provision for Deferred Receivables

The amount reported for either of the two general ledger accounts must not exceed the accrued amount of its related receivable.

Adjustments to Controller's Accounts (Report No. 3) (cont.):

- 6 Account (cont.):**
- Use the format on page 20 of this manual to provide the SCO with the supplementary information identifying the org code(s) and org name(s) related to the Due To/From Other Fund transactions submitted on your Report No. 3.
- 7A Amount:** Post adjustments to the appropriate general ledger accounts. The amounts entered here should only be adjustments to correct the account balances on the SCO records as of June 30.
- 7B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 7C Net Debits/Credits:** Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C."

Form 576B

- 8 Account Description:**
- The titles of each disbursement, reimbursement, transfer, and receipt account is printed in this column. These accounts are the same as those on the monthly agency reconciliation reports.
 - If there is an error on the SCO records involving Prepayments to Other Funds, only the expenditures should be adjusted, not the Prepayments to Other Funds account.
 - If an adjustment is between accounts involving the same fund but different departments, the offsetting account to the appropriate disbursement, reimbursement, transfer, or receipt account is General Ledger Account No. 1420.XXXX, Due from Other Appropriations, or 3115.XXXX, Due to Other Appropriations. Include the four-digit org code as the subsidiary number.
 - If an adjustment is between accounts within the same fund and department, only the appropriate disbursement, reimbursement, transfer, or receipt accounts should be adjusted.
- Reminder:***
List four digit ORG code on Supplemental Form for Due To/From Other Funds/Appropriations

Adjustments to Controller's Accounts (Report No. 3) (cont.):

- 9 FY:** A four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account is printed in this column.
- 10 M:** This column is for State Controller's Office use only.
- 11 REF:** The reference item corresponding to each disbursement, reimbursement, and transfer account is printed in this column.
- 12 CA through TSK:** The appropriate category, program, element, component, and/or task corresponding to each disbursement and reimbursement account are printed in these columns.
- 13 T:** The appropriate letter identifying the account type, as shown below, is printed in the column.
- D – Disbursement Account
F – Reimbursement or “Amount Payable From” Account
T – Transfer to Other Funds Account
R – Receipt Account
- 14 SFUND:** The source fund corresponding to each reimbursement account is printed in this column. The source fund consists of a four-digit fund code with a three-digit subfund code. If there is no subfund detail, the spaces following the four-digit fund code will be filled with zeros.
- 15 B:** Enter the block number (1, 2, or 3) if the account is blocked.
- 16 Account:** The account number corresponding to each receipt account is printed in this column. The first space will be coded as a zero.
- 17A Amount:** Post adjustments to the appropriate disbursement, reimbursement, transfer, or receipt account. The amounts entered should only be an adjustment to correct the account balances on the SCO records as of June 30.
- 17B D/C (Debit or Credit):** Enter a “D” when the amount in the “Amount” column is a debit and a “C” when the amount is a credit.
- 17C Net Debits/Credits:** Enter the net of the debits and credits in the “Accrual Amount” column and identify as a “D” or “C.”

Adjustments to Controller's Accounts (Report No. 3) (cont.):

- 18 Attachment No.:** Enter a number referring to the supporting documentation with the same number. Supporting documents are required for each adjusting entry. (e.g., copy of transaction request sent to accounting, etc.)

Adjustments to Controller's Accounts

June 30, 20XX

Page 1 of 1

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
B			

Agency Name and Number 1 Governmental Accounting Advisory Board (1234)		Fund Name and Number 2 General Fund (0001)	
Name of Contact Person, Title 3 Bud G. Tary, Accounting Administrator		Telephone Number 4 916-555-1234	Email Address 5 Bud.G.Tary@gaab.ca.gov

ACCOUNT TITLE	6 ACCOUNT		7A AMOUNT	7B
				D C
DUE FROM OTHER APPROPRIATIONS	1420	4720	949.84	D
Net Credits/Debits			7C 949.84	D

FORM 576-b (03/1996)

CONTROLLER'S USE ONLY

DOCUMENT NO: DATE:

FUND: 0001000 GENERAL FUND

STATE CONTROLLER'S OFFICE

ADJUSTMENTS TO CONTROLLER'S ACCOUNTS

JUNE 30, 20XX

AGENCY: 1234 GOVERNMENTAL ACCOUNTING ADVISORY BOARD

MAIL CODE: 1234

REPORT NO: 3

PAGE NO: 1

CONTROLLER'S USE ONLY

CURSORY REVIEW

COMP. INPUT

EXPENDITURES

REVENUES

WORKSHEET/ACC. ACCUM.

85

<div>8</div>		<div>9</div>	<div>10</div>	<div>11</div>	<div>12</div>			<div>13</div>	<div>14</div>	<div>15</div>	<div>16</div>	<div>17A</div>	<div>17B</div>	<div>18</div>	
ACCOUNT DESCRIPTION		FY	M	REF	CA	PG	EL	COM	TSK	T	SFUND	B	REV/OBJ	ACCUAL AMOUNT	D/C
-----		-----													---
A - CONTINUING PROGRAM COSTS		2011		001		10				D				949.84	C #1
UNALLOCATED REDUCTION		2011		001		97	20			D					
B - REIMBURSEMENTS		2011		001	90					F	0001000				
A - CONTINUING PROGRAM COSTS		2010		001		10				D					
B - REIMBURSEMENTS		2010		001	90					F	0001000				
MISCELLANEOUS REVENUE		2010		001						R		0161400			
													<div>17C</div> NET DEBITS/CREDITS	949.84	C

STATE CONTROLLER'S USE ONLY		
DOCUMENT NO.	DATE C C C C M M D D	MSG Code
JE		

STATE OF CALIFORNIA
OFFICE OF THE STATE CONTROLLER
TRANSACTION REQUEST

STATE CONTROLLER'S USE ONLY	
TC Code	VERIFIED BY:
	DATE:

PAGE 1 OF

Agency:	Address:	Agency Document Number:
Governmental Advisory Board - 1234		

FUND	AGY	FY	M	REF / ITEM	FED CAT	P/N	C	CAT	PGM	ELE	COMP	TASK	ACCT	SCO USE	REV / OBJ	AMOUNT	D C A T O B	SCO USE	SOURCE FUND					
0001	4720	2011		001					10							949.84	DD							
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION									
Cor Sch 9466098 5-1-2012					Ch 33/11, Item 4270-001-0001																			
0001	1234	2011		001					10							949.84	CD							
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION									
Cor Sch 9466098 5-1-2012					Ch 33/11, Item 4270-001-0001																			
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION									
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION									
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION									
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION									
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION									
TYPE OF TRANSACTION: Correction of claim schedule 9466098, dated 5-1-20XX, paid by warrant number 08-211186.															I hereby certify under penalty of perjury that I am the duly appointed, qualified, and acting officer of the herein named State agency, department, board, commission, office or institution; that the within transfer is in all respects true, correct, and in accordance with all applicable provisions or restrictions in the Budget Act, Federal Regulations, or other statute pertaining to the particular appropriation.									
LEGAL AUTHORITY AND REASON FOR REQUEST:																								
The agency code referenced on the claim was 1234 but should have been 4720. Efforts have been taken to ensure all manually prepared claim schedules are reviewed prior to submission.																								
															AUTHORIZED SIGNATURE:									
															CONTACT PERSON: Bud G. Tary									
															PHONE FOR CONTACT: (916) 555-1234					DATE: 6/29/20XX				

NOT TO BE USED AS A CONTROLLER'S REMITTANCE ADVICE

CA 504 PC VERSION (7/1999)

Attachment #1

State Controller's Office

Year-End Financial Reports Procedure Manual

Revisions to Accruals and Adjustments to Controller's Accounts (Report Nos. 1 and 3)

Purpose

This report is a computer input document containing the revisions needed to correct the amounts previously submitted on the Report of Accruals to Controller's Accounts (Report No. 1) and/or the Adjustments to Controller's Accounts (Report No. 3). The amounts entered on this report, combined with the amounts originally submitted on Report Nos. 1 and 3, should bring the SCO balances into agreement with the department's revised balances. Submitting this report eliminates the need to submit a complete set of revised reports.

This report consists of the following forms:

Form 571E: Designed to report revisions to asset and liability accounts (real accounts).

Form 571F: Designed to report revisions to disbursement, reimbursement, transfer, and receipt accounts (nominal accounts).

Since this report is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Revisions to year-end reports should be submitted by September 28, 2012. After this date, contact Lina Chan at (916) 322-4671 to receive approval to submit revisions. All revisions submitted after the applicable due date specified in the table on page 29 disqualify the fund for the *Certificate for Achieving Excellence in Financial Reporting*.

Revisions to Accruals and Adjustments to Controller's Accounts (Report Nos. 1 and 3) (cont.):

General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).
- Leave amount column blank for accounts with zero activity.
- Total debits must equal total credits.
- All adjusting entries must be accompanied by an attachment explaining the reason for the revision. Each entry must be identified by a number that references an explanation identified by the same number. This number should be placed in the "Account Title" column of Form 571E and to the right of the amount on Form 571F.

Specific Instructions

The instructions below are followed by an illustration of completed Revisions to Accruals and Adjustments to Controller's Accounts form. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Form 571E

- | | | |
|----------|--|---|
| 1 | Department Name and Number: | Enter department name and number. |
| 2 | Fund Name and Number: | Enter fund name and corresponding four-digit fund code. |
| 3 | Name of Contact Person and Title: | Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title. |
| 4 | Telephone Number: | Enter the contact person's telephone number. |
| 5 | E-mail Address: | Enter the contact person's e-mail address. |

Revisions to Accruals and Adjustments to Controller's Accounts (Report Nos. 1 and 3) (cont.):

- 6 Account:** Enter the general ledger account number from the original set of reports for the account being revised.
- 7A Amount:** Enter the adjustment needed to correct amounts previously submitted on Report Nos. 1 and/or 3.
- 7B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 7C Net Debits/Credits:** Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C."
- 8A Encumbrances:** Enter the adjustment needed to correct the amounts previously submitted on Report No. 1. The net encumbrance amount, after being revised by this adjustment, must not exceed the net accrual.
- 8B D/C (Debit or Credit):** Enter a "D" when the encumbrance amount in the "Encumbrance" column is a debit and a "C" when the amount is a credit. The encumbrance should have the same D/C sign as the corresponding accrued asset or liability.
- 8C Net Debits/Credits:** Enter the net of the debits and credits in the "Encumbrance" column and identify as a "D" or "C."

Form 571F

- 1 Department Name and Number:** Enter department name and number.
- 2 Fund Name and Number:** Enter fund name and corresponding four-digit fund code.
- 3 Name of Contact Person and Title:** Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title.
- 4 Telephone Number:** Enter the contact person's telephone number.
- 5 E-mail Address:** Enter the contact person's e-mail address.
- 6 Appropriation and Revenue Account Titles:** Enter the title of the disbursement, reimbursement, transfer, or receipt account from the original set of reports that is being revised.

Revisions to Accruals and Adjustments to Controller's Accounts (Report Nos. 1 and 3) (cont.):

- | | | |
|-----------|---------------------------------------|--|
| 7 | FY through
Revenue/Object: | Enter the disbursement, reimbursement, transfer, or receipt account number from the original set of reports that is being revised. DO NOT post to categories 95, 96, 98, and 99. |
| 8A | Amount: | Enter the adjustment needed to correct amounts previously submitted on Report Nos. 1 and/or 3. |
| 8B | D/C (Debit or Credit): | Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit. |
| 8C | Net Debits/Credits: | Enter the net of the debits and credits in the "Accrual Amount" column and identify as a "D" or "C." |
| 9A | Encumbrances: | Enter the adjustment needed to correct the amounts previously submitted on Report No. 1. The net encumbrance amount must not exceed the total accrued "Payables" and "Due to's" after this revision. |
| 9B | D/C (Debit or Credit): | Enter a "D" when the encumbrance amount in the "Encumbrance" column is a debit and a "C" when the amount is a credit. |
| 9C | Net Debits/Credits: | Enter the net of the debits and credits in the "Encumbrance" column and identify as a "D" or "C." |

Page 1 of 1

ORIGINAL - State Controller's Office, Division of Accounting and Reporting

REVISION TO REPORT NOS. 1 & 3 Form 571F (Rev. 3/10)

Revisions to Accruals and Adjustments to Controller's Accounts

June 30, 20XX

Page 1 of 1

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
D			

Agency Name and Number 1 Governmental Accounting Advisory Board (1234)		Fund Name and Number 2 General Fund (0001)	
Name of Contact Person, Title 3 Bud G. Tary, Accounting Administrator		Telephone Number 4 916-555-1234	Email Address 5 Bud.G.Tary@gaab.ca.gov

APPROPRIATION AND REVENUE ACCOUNT TITLES	ENCUMBRANCES	D C	FY	M	REF/ ITEM	CAT	PGM	ELE	COMP	TASK	T	SOURCE FUND	B	S C O	REVENUE/ OBJECT	AMOUNT	D C
6	9A	9B							7							8A	8B

Final Statement of Revenue (Report No. 4)

Purpose

The Final Statement of Revenue (Report No. 4) provides departments with a method of reconciling the total revenue on the department records with the total revenue on the SCO records as of June 30. This statement should be prepared on Form 575 or an automated version in the same format, and must include the following:

- A listing of the revenue accounts and balances per the department's records. Only current year revenue accounts (e.g., 0161400 Miscellaneous Revenue) should be listed.
- The total revenue amount per the department's records. This total should agree with the amount recorded in General Ledger Account No. 8000.
- A reconciliation of the total revenue per the department's records with the total revenue per the SCO records as of June 30. Revenue accruals reported on the Report of Accruals to Controller's Accounts (Report No. 1) and/or adjustments reported on the Adjustments to Controller's Accounts (Report No. 3) will be reconciling factors.

On the Report No. 4, the total revenue per the SCO records must agree with the total revenue per the department's records.

The revenues per the department's records should agree with the revenues reported to the DOF on schedule 10R for inclusion in the Governor's Budget.

During the processing of Report Nos. 1 or 3, the SCO will refer to Report No. 4 to obtain additional information that may help resolve any discrepancies.

CSTAR026 4220 (DEST: A1 SHL1) PY C ***** 1(FUND)***** RUN DATE: 07/24/XX TIME: 06:30:00 *CALSTARS
PRIOR FISCAL YEAR: 20XX

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
YEAR END STATEMENT OF REVENUE
AS OF 06/30/XX

REPORT #4
PAGE 1

ENY: 20XX FFY: 20XX
FUND: 0001 GENERAL FUND

SOURCE	DESCRIPTION	ESTIMATED REVENUES	ACTUAL REVENUES	BALANCE
161400	MISCELLANEOUS REVENUE	0.00	30,192.12	30,192.12
*TOTAL FUND	0001	0.00	30,192.12	30,192.12

RECONCILIATION OF STATE CONTROLLERS REVENUE WITH STATEMENT OF REVENUE, JUNE 30, 20XX

TOTAL REVENUE PER STATE CONTROLLERS OFFICE ACCOUNTS \$ 25,867.62

RECONCILING FACTORS:

ACCRUALS PER REPORT OF ACCRUALS \$ 4,324.50

ADJUSTMENTS TO CONTROLLERS ACCOUNTS

0.00 \$ 4,324.50

TOTAL REVENUE PER STATEMENT OF REVENUE

30,192.12

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS DAY OF , 20XX AT SACRAMENTO , CALIFORNIA.

"REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS
PURSUANT TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS"

SIGNATURE OF OFFICER

BUD G. TARY
ACCOUNTING ADMINISTRATOR

Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5)

Purpose

The Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5) provides departments with a method of reconciling the department's appropriation balances with the SCO balances as of June 30. Reconciling factors include the following:

- Expenditure accruals as reported on the Report of Accruals to Controller's Accounts (Report No. 1).
- Adjustments as reported on the Adjustments to Controller's Accounts (report No. 3).
- Pending budget revisions, allocation orders, and/or executive orders.

After these amounts have been posted by the SCO, the appropriation balances per the SCO records should agree with the appropriation balances per the department's records. A footnote is required to explain any differences between the department and SCO records. The expenditures per the department's records should agree with the expenditures reported to the DOF on Schedule 10 for inclusion in the Governor's Budget.

Departments will be provided with a computer-generated form for each appropriation that exists on the SCO records as of June 30. Departments may create their own Report No. 5 (Form 573) for appropriations that were effective prior to July 1, but were not set up on the SCO records by June 30. The form must be in the same format as the SCO's computer generated forms.

Reminder

During the processing of Report Nos. 1 and 3, the SCO will refer to Report No. 5 to resolve any discrepancies. All amounts reported as an increase/decrease of appropriation authority on the Final Reconciliation with Controller's Accounts with Final Budget Report, Report No. 5, for manual statements, or on the CSYDB3-1, for automated statements, must be substantiated by submitting supporting documentation. Support documentation will allow us to confirm the validity of an amount reported as an increase/decrease in appropriation. Line appropriation accounts with overdrafts must be corrected.

Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5) (cont.):

General Instructions

- Prepare a separate report for each appropriation.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 5. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Form 573

- | | | |
|----------|---|---|
| 1 | Fund, FY, and Item: | A separate Report No. 5 should be used for each appropriation maintained by the SCO. |
| 2 | June 30 Account Balance per State Controller's Records: | The total expenditure amount and the appropriation balance per SCO records as of June 30 are preprinted on this line. Do not alter these amounts. |
| 3 | Reverse Prior Year Adjustment to Controller's Account: | The reversal of the adjustments reported on the previous year's Adjustments to Controller's Accounts (Report No. 3) is preprinted in the expenditure column. Do not alter this amount. If the department does not agree with the preprinted amount, provide a footnote to indicate the amount per the department's records. |
| 4 | Reverse Prior Year Expenditures/ Reimbursements Accrued: | The reversal of the accruals reported on the previous year's Report of Accruals to Controller's Accounts (Report No. 1) is preprinted in the expenditure column. Do not alter this amount. If the department does not agree with the preprinted amount, provide a footnote to indicate the amount per the department's records. |
| 5 | Reverse Prior Year Corrections Made by SCO: | The reversal of the corrections made by the SCO to the previous year's Report No. 1 and/or Report No. 3 is preprinted in the expenditure column. Do not alter this amount. If the department does not agree with the preprinted amount, provide a footnote to indicate the amount per the department's records. |

Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5) (cont.):

- | | | |
|----|---|---|
| 6 | Apply Current Year Adjustments to Controller's Accounts: | Enter the total current year adjustments to the appropriation as reported on the Adjustments to Controller's Accounts (Report No. 3), Form 576B. Enter the amount in both the expenditure and appropriation balance columns. |
| 7 | Apply Accruals per Report of Accruals to Controller's Accounts: | Enter the current year accruals for each category or program as reported on the Report of Accruals to Controller's Account (Report No. 1), Form 571C and 571D. Enter these amounts in both the expenditure and appropriation balance columns, with the exception of the Revolving Fund Advance accrual, which must be reported in the appropriation balance column only. |
| 8 | Pending Budget Revisions, Allocation Orders, Executive Orders: | <p>Enter an increase or decrease to the appropriation balance in the appropriation balance column for the following:</p> <ul style="list-style-type: none"> • Executive orders dated June 30 or earlier that were issued by the DOF but not recorded by the SCO as of June 30 (per section 7957 of the State Administrative Manual). • Budget Revisions that were approved by the DOF by June 30 but not recorded by the SCO. • Allocation orders not recorded by the SCO as of June 30. |
| | <i>Reminder</i> | <ul style="list-style-type: none"> • <u>Supporting documents are included to support amounts reported on the pending budget revision, allocation order, and executive order line.</u> Copies of allocation orders, budget revisions, and executive orders are considered appropriate and substantial support documentation. |
| 9 | Advances to Other Funds and Prepayments to Service Revolving Fund: | The balance on the SCO records for Categories 95, 98, and/or 99 is preprinted in the appropriation balance column. Do not alter this amount. |
| 10 | Total: | Enter the net total for each column. The total of the appropriation balance column must be zero or have a credit balance. |

FINAL RECONCILIATION OF CONTROLLER'S ACCOUNTS
WITH FINAL BUDGET REPORT/AGENCY RECORDS STD 573(04/1997)

REPORT NO: 5
JUNE 30 20XX

MAILCODE: 1234
AGENCY: 1234 GOVERNMENTAL ACCOUNTING ADVISORY BOARD
FUND 0001000 GENERAL FUND
FY: 20XX

1

CHAPTER NO. XX/XX

ITEM NO. 1234-001-0001

***** SCO USE ONLY *****

		EXPENDITURES	APPROPRIATION BALANCE
** JUNE 30 ACCOUNT BALANCE PER STATE CONTROLLER'S RECORDS	2	221,553.96	-5,446.04
** REVERSE PRIOR YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	3		
** REVERSE PRIOR YEAR EXPENDITURES/REIMBURSEMENTS ACCRUED	4		
** REVERSE PRIOR YEAR CORRECTIONS MADE BY CONTROLLER'S OFFICE	5		

APPLY CURRENT YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	6	-949.84	-949.84
APPLY ACCRUALS PER REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS	7		
SCO ACCOUNT CODE			

10	A - CONTINUING PROGRAM COSTS	70,851.65	70,851.65
97 20	UNALLOCATED REDUCTION		
90	B - REIMBURSEMENTS	-54,914.65	-54,914.65
98	PREPAYMENTS TO SERVICE REVOLVING FUND - OTHER SERVICES		9 -10,000.00
99			
	PENDING BUDGET REVISIONS/ALLOCATION ORDERS/EXECUTIVE ORDERS	8	
	TOTAL	10 236,541.12	-458.88

Pre-Closing and Post-Closing Trial Balance (Report Nos. 7 and 8)

Purpose

The Pre-Closing Trial Balance (Report No. 7) provides the department's June 30 general ledger account balances for assets, liabilities, fund equity, receipts, and disbursements before the nominal accounts have been closed. The Post-Closing Trial Balance (Report No. 8) provides the department's June 30 general ledger account balances for assets, liabilities, and fund equity accounts remaining after nominal accounts have been closed. The balances in both statements reflect the accruals as reported on the Report of Accruals to Controller's Accounts (Report No. 1) and/or the adjustments as reported on the Adjustments to Controller's Accounts (Report No. 3). During the processing of Report Nos. 1 or 3, the SCO will refer to Report Nos. 7 and 8 to obtain additional information that may help to resolve any discrepancies. These statements should be prepared on Form 570 or an automated version in the same format.

The Fund Balance of a fund is the excess of the assets over its liabilities. Normally, the ending fund balance should be a positive amount. Funds reporting a negative fund balance must provide a footnote on the Post-Closing Trial (Report No. 8) explaining the negative fund balance.

Abnormal balances on CALSTAR's Report Nos. 7 and 8 will be now identified with asterisks (*). The asterisks are there to assist departments with identifying the abnormal balances requiring an explanation.

CSTARG02 4220 (DEST: A1 SHL1) PY **0(ORG)***** 1(FUND) FND(ALL)***** RUN DATE: 07/24/09 TIME: 06:30:XX *CALSTARS
PRIOR FISCAL YEAR: 20XX

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
PRE-CLOSING TRIAL BALANCE
AS OF 06/30/XX

FUND: 0001 GENERAL FUND		DESCRIPTION		DEBITS		CREDITS		(REPORT PAGE	
GLAN									
1110	GENERAL CASH			4,324.50					1110
1312	ACCOUNT RECEIVABLE - REIMBURSEMENTS			22,981.50			0.00		1312
1315	ACCOUNTS RECEIVABLE DISHONORED CHECKS			75.00			0.00		1315
1319	ACCOUNTS RECEIVABLE OTHER			72.22			0.00		1319
1400	DUE FROM OTHER FUNDS OR APPROPRIATIONS			31,933.15			0.00		1400
1600	PROVISION FOR DEFERRED RECEIVABLES			0.00			147.22		1600
1710	EXPENSE ADVANCES			1,046.22			0.00		1710
1730	PREPAYMENTS TO OTHER FUNDS & APPROPRIATIONS			10,000.00			0.00		1730
3010	ACCOUNTS PAYABLE			0.00			44,439.94		3010
3020	CLAIMS FILED			0.00			16,041.33		3020
3110	DUE TO OTHER FUNDS OR APPROPRIATIONS			0.00			15,089.34		3110
3400	ADVANCE COLLECTIONS			0.00			23,990.82		3400
5570	FUND BALANCE--CLEARING ACCOUNT			0.00			164,566.07		5570
8000	REVENUE/OPERATING REVENUE			0.00			30,192.12		8000
8100	REIMBURSEMENTS			0.00			134,247.07		8100
9000	APPRO EXPEND/OPERATING EXPEND & EXPENSES			358,281.32			0.00		9000
	*TOTAL FUND 0001			428,713.91			428,713.91		

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS DAY OF , 20XX AT SACRAMENTO , CALIFORNIA.

SIGNATURE OF OFFICER

BUD G. TARY
TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR
TITLE OF OFFICER

Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15)

Purpose

The Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15) provides departments with a method of ensuring the accuracy and completeness of their revenue and expenditure accounts. The detailed revenue and expenditure accounts are summarized to the appropriate general ledger accounts that are reconciled with transactions per the State Controller.

During the processing of the Report of Accruals to Controller's Accounts (Report No. 1) and/or the Adjustments to Controller's Accounts (Report No. 3), the SCO will refer to Report No. 15 to obtain additional information that may help to resolve any discrepancies.

Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15) (cont.):

General Instructions

- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents.

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 15. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Report No. 15

- | | | |
|----------|--|---|
| 1 | Account: | Enter the revenue and expenditure accounts from the monthly reconciliation report. |
| 2 | Transactions per Controller (column A): | Enter the balances per the SCO records as of June 30. |
| 3 | Reverse Prior Year Adjustment to Controller's Account (column B): | Enter the reversal of the adjustments reported on the previous year's Adjustments to Controller's Accounts (Report No. 3), Form 576B. |
| 4 | Reverse Prior Year Accruals (column C): | Enter the reversal of the accruals reported on the previous year's Report of Accruals to Controller's Accounts (Report No. 1), Forms 571C and 571D. |
| 5 | Reverse Prior Year Corrections Made by SCO (column D): | Enter the reversal of any prior year corrections made by the SCO to the Report of Accruals to Controller's Accounts (Report No. 1) and/or to the Adjustments to Controller's Accounts (Report No. 3). |
| 6 | Apply Current Year Adjustments to Controller's Accounts (column E): | Enter the current year adjustments for each revenue or appropriation account as reported on the Adjustments to Controller's Accounts (Report No. 3), Form 576B. |

Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15) (cont.):

- | | | |
|----|---|--|
| 7 | Apply Current Year Accruals (column F): | Enter the current year accruals for each revenue or expenditure account as reported on the Report of Accruals to Controller's Account (Report No. 1), Forms 571C and 571D. |
| 8 | Total (column G): | Enter the total of columns A through F. |
| 9 | Appropriation Expenditures (column H): | Enter the amount from the total in column G that applies to General Ledger Account No. 9000. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 10 | Reimbursements (column I): | Enter the amount from the total in column G that applies to General Ledger Account No. 8100. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 11 | Prior Year Appropriation Adjustments (column J): | Enter the amount from the total in column G that applies to General Ledger Account No. 9893. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 12 | Revenue (column K): | Enter the amount from the total in column G that applies to General Ledger Account No. 8000. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 13 | Prior Year Income Adjustments (column L): | Enter the amount from the total in column G that applies to General Ledger Account No. 9892. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 14 | Refunds to Reverted Appropriations (column M): | Enter the amount from the total in column G that applies to General Ledger Account No. 9891. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |

**Reconciliation of Agency Accounts with Transactions per
State Controller (Report No. 15) (cont.):**

- | | |
|--|--|
| 15 Operating Transfers Out
 (column N): | Enter the amount from the total in column G that applies to General Ledger Account No. 9812. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 16 Other Accounts
 (column O): | Enter the amount from the total in column G that applies to other general ledger accounts, as necessary. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |

Reconciliation of Agency Accounts with Transactions per State Controller Report No. 15

Agency: Governmental Accounting Advisory Board (1234)
Fund: General Fund (0001)
June 30, 20XX

	Transactions per Controller	Reverse Prior Year		Apply Current Year		Appropriation Total	Reimburse- ments 8100	Revenue 8000	Appropriation Expenditures 9000
		Adjustments to Controller's Accounts	Accruals	Adjustments to Controller's Accounts	Accruals				
Item 1234-001-0001									
State Operations, FY 11/12									
Chapter 33/11									
A. Program 10	297,710.31			(949.84)	70,851.65	367,612.12			367,612.12
B. Reimbursements	(76,156.35)				(54,914.65)	(131,071.00)	(131,071.00)		
C. Prepayments	10,000.00				(10,000.00)	0.00			
Item 1234-001-0001									
State Operations, FY 10/11									
Chapter 712/10									
A. Program 10	39,607.06		(44,065.50)		3,672.74	(785.70)			(785.70)
B. Reimbursements	(20,816.61)		20,640.54			(176.07)	(176.07)		
C. Prepayments	(14,000.00)		14,000.00			0.00			
Item 1234-001-0001									
State Operations, FY 09/10									
Chapter 1/09									
A. Program 10	1,054.90		(9,600.00)			(8,545.10)			(8,545.10)
B. Reimbursements	(3,000.00)					(3,000.00)	(3,000.00)		
Revenue FY 11/12									
161400 Miscellaneous Revenue	(25,867.62)				(4,324.50)	(30,192.12)		(30,192.12)	
TOTALS PER AGENCY	208,531.69	0.00	(19,024.96)	(949.84)	5,285.24	193,842.13	(134,247.07)	(30,192.12)	358,281.32

**Reconciliation of Agency Accounts with Transactions per State Controller
Report No. 15**

Agency: Governmental Accounting Advisory Board (1234)

Fund: General Fund (0001)

June 30, 20XX

	(A)	Reverse Prior Year			Apply Current Year		(G)	Transactions for Other Agencies							
		(B)	(C)	(D)	(E)	(F)		(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
	Transactions per Controller	Adjustments to Controller's Accounts	Accruals	Corrections Made by Controller's	Adjustments to Controller's Accounts	Accruals	Total of Columns (A) - (F)	Appropriation Expenditures 9000	Reimbursements 8100	Prior Year Appropriation Adjustments 9999	Revenue 8000	Prior Year Income Adjustments 9992	Refunds to Reverted Appropriations 9891	Operating Transfers Out 9812	Other Accounts
①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩	⑪	⑫	⑬	⑭	⑮	⑯
Appropriation															
State Operations, FY CY															
Chapter XX/CY															
Personal Services															
Operating Expenses and Equip															
Revolving Fund Advance															
Estimated Reimbursements															
Payable From Federal Trust															
Payable From Other Approp															
Prepayment to Service															
Revolving Fund - Printing															
Prepayment to Service															
Revolving Fund - Other															
Appropriation															
State Operations, FY PY															
Chapter XX/PY															
Personal Services															
Operating Expenses and Equip															
Revenue FY CY															
Miscellaneous Revenue															
Revenue FY PY															
Miscellaneous Revenue															
Refunds to Reverted Approp															
TOTALS PER AGENCY															

This page intentionally left blank.

Nongovernmental Cost Funds

Pre-Closing Trial Balance (Report No. 7)

Purpose

The Pre-Closing Trial Balance (Report No. 7) provides the department's June 30 general ledger account balances for assets, liabilities, fund equity, receipts, and disbursements before nominal accounts have been closed. The June 30 balances reported for each account should include the June 30 *cash* balance, any *current year accruals*, and *prior year accrual reversals*.

Note: Do not submit a Report of Accruals to Controller's Accounts (Report No. 1) for nongovernmental cost funds.

Reminder

Non-CALSTARS departments: On the Pre-closing Trial Balance, Report No. 7, change the heading for the general ledger account numbers' column to read "**GLAN**". The heading change will assist our key-data operators by matching the field title they see on their input screen with the column heading on the input document (the Pre-closing Trial Balance). An example can be found on page 115 of this manual.

Since this report is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

If revisions are necessary after the initial Pre-Closing Trial Balance (Report No. 7) is submitted, follow the instructions on pages 87 – 91 for Form 571E. Include on Form 571E only the difference between the original Pre-Closing Trial Balance (Report No. 7) account balances and the revised account balances. Debits and Credits must equal. Form 571F is not needed because detail accounts are not used for reporting nongovernmental revenues, expenditures, and transfers. A revised Pre-Closing Trial Balance (Report No. 7) is not required.

Reminder

The four-digit subsidiary org number of each department involved in the transaction is required for Due To Other Appropriations (GL 3115.XXXX) and Due From Other Appropriations (GL 1420.XXXX). The inclusion of the four-digit org code will assist our office with the reconciliation of the Due To's/From's.

Pre-Closing Trial Balance (Report No. 7) (cont.):

The supplementary report identifying the departments involved in any Due From Other Funds (1410.XXXX) and Due To Other Funds (3114.XXXX) accruals reported is required. See example of a Supplemental Report on page 20 of this manual.

Reminder

An explanation for abnormal accruals and/or encumbrances to general ledger and detail accounts is required as a footnote on the reports or on a separate sheet of paper as an attachment. An example of an abnormal balance on the Pre-closing Trial Balance (Report No. 7) would be a credit to GL account 1140, Cash in State Treasury which has a normal debit balance.

For all departments, a new footnote disclosure is required for any interest or loan repayments due within the year. These repayments should be footnoted on the Pre-Closing Trial Balance (Report No. 7). The footnote is necessary to fully disclose the fund's liabilities. The footnote should include the terms of the loan (e.g., date of issuance, repayment terms, and interest rate), current loan balance, and interest earned or owed. Example: issue date - 7/14/XXXX, 5 year loan, due date - 6/30/XX, interest rate of 6%, amount of loan balance being repaid - \$50,000.00, interest owed/earned - \$ 3,000.00.

Pre-Closing Trial Balance (Report No. 7) (cont.):

General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).
- Leave amount column blank for accounts with zero activity.
- Total debits must equal total credits.

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 7. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

- 1 Department:** Enter department name and number.
- 2 Fund:** Enter fund name and corresponding fund number.
- 3 Account No.:** Use the lowest level general ledger account numbers listed in the Uniform Codes Manual.

- For non-CALSTARS departments - to identify the other fund involved in an interfund transaction, enter the four-digit fund code and, if applicable, a three-digit subfund code immediately following the general ledger account numbers listed below. Use four-digit Org code for Due To/From Other Appropriations.

1410.XXXX Due from Other Funds

1730.XXXX Prepayments to Other Funds or
Appropriations

{ 1420.XXXX Due From Other Appropriations

3115.XXXX Due To Other Appropriations

3114.XXXX Due to Other Funds

5330.XXXX Reserve for Prepaid Items

2170.XXXX Interfund Loans Receivable (replaces
1410.XXXX)

4050.XXXX Interfund Loans Payable (replaces
3114.XXXX)

Use the four-digit ORG
Code for the subsidiary
number.

Reminder:

List on Supplemental
Form for Due To/From
Other
Funds/Appropriations

Pre-Closing Trial Balance (Report No. 7) (cont.):

3 Account No. (cont.):

- For nongovernmental funds, other than General Obligation Bond Funds, encumbrances should be posted to the appropriate liability accounts 3010, 3114, 3115, 3220, and 3290. For CALSTARS departments, refer to the encumbrance reclassification process in the CALSTARS Procedure Manual, Volume 7, Chapter III, page 15.
- All accrued reimbursements that will fund the accrued encumbrances should remain in their respective asset accounts (1312, 1410, 1510, and 1590) not reclassified to General Ledger Account No. 1312, Accounts Receivable – Reimbursements.

Reminder

- For Non-CALSTARS Report No. 7, use “GLAN” as the heading for the general ledger accounts’ column.
- For departments not on CALSTARS, enter a four-digit general ledger accounts receivable code immediately following the general ledger account numbers listed below to identify the related receivable. The code must be preceded by a “0.”

1390.0XXXX Allowance for Uncollectible Accounts

1600.0XXXX Provision for Deferred Receivables

The amount reported for each general ledger account must not exceed the amount accrued for the related receivable.

- For CALSTARS departments, submit the Subsidiaries on File Report (CSTARG02), which will provide the SCO with the required subsidiary numbers.
- For CALSTARS departments, submit the Trial Balance of General Ledger Accounts (CSTARG01) for all shared nongovernmental cost funds, which will provide the SCO with the ending balance of the Cash in State Treasury (General Ledger Account No. 1140) for shared funds.
- Abnormal balances on the Report No. 7 (CSTARG02) will be identified with asterisks (*). The asterisk will assist departments with identifying the abnormal balances requiring an explanation.

Pre-Closing Trial Balance (Report No. 7) (cont.):

3 Account No. (cont.):

Reminder

- For all departments, all Due from Other Funds (1410.XXXX) must equal the related Due to Other Funds (3114.XXXX). Departments need to coordinate related amounts reported to ensure they equal. Using the format on page 20 of this manual to provide SCO with the supplementary information identifying the org code(s) and org name(s) related to the Due To/From Other Fund transactions submitted on your Report No. 3.

4 Account Title:

Complete the account title that corresponds with the respective account number.

5 Debit or Credit:

Post the department's balance for each general ledger account in the proper column.

DEPARTMENT: GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
 FUND: SERVICE REVOLVING FUND (0666001)

PRE-CLOSING TRIAL BALANCE (REPORT NO.7)
 AS OF JUNE 30, 20XX

GLAN	ACCOUNT TITLE	DEBIT	CREDIT
1110	GENERAL CASH	3,757,211.68	
1130	REVOLVING FUND CASH	1,362,356.85	
1140	CASH IN STATE TREASURY	91,332.87	
1190	CASH ON HAND	125,801.16	
1312	ACCOUNT RECEIVABLE – REIMBURS.	1,176,932.42	
1315	ACCOUNT RECEIVABLE – D.C.	3,608.20	
1319	ACCOUNT RECEIVABLE – OTHER	8,477.14	
1390.01312	ALLOW FOR UNCOLLECTIBLE ACCTS		926,526.46
1410.0001	DUE FROM GENERAL FUND	65,021,144.17	
1410.0002	DUE FROM PROPERTY ACQ LAW	431,015.00	
1410.0003	DUE FROM MOTOR VEHICLE PARK	271,284.00	
1410.0006	DUE FROM ACCESS FOR HANDICAP	171,900.00	
1410.0026	DUE FROM MOTOR VEHICLE INSUR	2,390,308.00	
1410.0344	DUE FROM SSBLPF	834,690.00	
1410.0465	DUE FROM ENERGY RESOURCES	145,283.00	
1410.0602	DUE FROM ARCHITECTURE REV FD	1,799,183.00	
1410.0768	DUE FROM EARTHQUAKE	100,650.00	
1410.0961	DUE FROM SCHOOL DEFERRED MAIN	10,493.00	
1420.1234	DUE FR OTHER APPROP W/IN FUND	12,213,023.00	
1510	DUE FROM OTHER GOVERNMENTS	1,185,784.00	
1600.01315	PROV FOR DEFERRED REC-DISH CK		3,608.20
1600.01319	PROV FOR DEFERRED REC-P/R A/R		8,477.14
1710	EXPENSE ADVANCE	85,809.98	
1720	OTHER PREPAID EXPENSES	383,197.22	
1730.0602	ADVANCES TO ARF	6,059,548.83	
1900	INVENTORY	15,413,905.11	
2341	EQUIPMENT	127,508,242.53	
2349	ACCUM DEPRECIATION EQUIPMENT		70,633,026.84
2410	INTANGIBLE ASSETS	2,229,107.29	
2490	ACCUMULATED AMORTIZATION		1,626,346.14
3010	ACCTS PAYABLE ACCRUALS		16,190,423.17
3020	CLAIMS FILED		3,480,511.97
3114.0001	DUE TO OTHER FUNDS-GEN FUND		3,020,410.85
3115.1234	DUE TO OTHER APPROPR-W/IN FUND		7,213,023.00
3120	PREPAYMENT		70,833,000.00
3210	DUE TO OTHER GOVERNMENTS		10,531.00
3510	DEPOSITS		1,795,691.70
3730	UNCLEARED COLLECTIONS		66,276.05
4210	INSTALLMENT CONTRACT PAYABLE		17,367,054.99
5330.0602	RESERVE FOR PREP ITEMS-ARF		6,059,548.83
5540	RETAINED EARNINGS		59,084,279.01
8000	REVENUE		390,150,138.88
8110	INTRA-STATE REIMBURSEMENTS		53,463,651.00
9000	APPROPRIATION EXPENDITURES	438,870,713.05	
9030	CAPITAL OUTLAY	1,737,000.00	
9898	PRIOR YEAR ADJUSTMENTS	18,544,523.73	
TOTAL		701,932,525.23	701,932,525.23

Reminder:
 Four-digit
 Org code
 required

The
 Nominal
 Accounts
 will be
 closed to
 fund
 balance.

Post-Closing Trial Balance (Report No. 8)

Purpose

The Post-Closing Trial Balance (Report No. 8) provides the department's June 30 general ledger account balances for assets, liabilities, and fund equity accounts after the nominal accounts have been closed. During the processing of Report No. 7, the SCO will refer to the supporting documentation provided by Report No. 8 to help resolve any discrepancies.

The Fund Balance of a fund is the excess of the assets over its liabilities. Normally, the ending fund balance should be a positive amount. Funds reporting a negative fund balance must provide a footnote on the Post-Closing Trial Balance (Report No. 8) explaining the negative fund balance.

DEPARTMENT: GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)

FUND: SERVICE REVOLVING FUND (0666001)

POST-CLOSING TRIAL BALANCE (REPORT NO. 8)

AS OF JUNE 30, 20XX

GLAN	ACCOUNT TITLE	DEBIT	CREDIT
1110	GENERAL CASH	3,757,211.68	
1130	REVOLVING FUND CASH	1,362,356.85	
1140	CASH IN STATE TREASURY	91,332.87	
1190	CASH ON HAND	125,801.16	
1312	ACCOUNT RECEIVABLE – REIMBURS.	1,176,932.42	
1315	ACCOUNT RECEIVABLE – D.C	3,608.20	
1319	ACCOUNT RECEIVABLE – OTHER	8,477.14	
1390.01312	ALLOW FOR UNCOLLECTIBLE ACCTS		926,526.46
1410.0001	DUE FROM GENERAL FUND	65,021,144.17	
1410.0002	DUE FROM PROPERTY ACQ LAW	431,015.00	
1410.0003	DUE FROM MOTOR VEHICLE PARK	271,284.00	
1410.0006	DUE FROM ACCESS FOR HANDICAP	171,900.00	
1410.0026	DUE FROM MOTOR VEHICLE INSUR	2,390,308.00	
1410.0344	DUE FROM SSBLPF	834,690.00	
1410.0465	DUE FROM ENERGY RESOURCES	145,283.00	
1410.0602	DUE FROM ARCHITECTURE REV FD	1,799,183.00	
1410.0768	DUE FROM EARTHQUAKE	100,650.00	
1410.0961	DUE FROM SCHOOL DEFERRED MAIN	10,493.00	
1420.1234	DUE FR OTHER APPROP W/IN FUND	12,213,023.00	
1510	DUE FROM OTHER GOVERNMENTS	1,185,784.00	
1600.01315	PROV FOR DEFERRED REC-DISH CK		3,608.20
1600.01319	PROV FOR DEFERRED REC-P/R A/R		8,477.14
1710	EXPENSE ADVANCE	85,809.98	
1720	OTHER PREPAID EXPENSES	383,197.22	
1730.0602	ADVANCES TO ARF	6,059,548.83	
1900	INVENTORY	15,413,905.11	
2341	EQUIPMENT	127,508,242.53	
2349	ACCUM DEPRECIATION EQUIPMENT		70,633,026.84
2410	INTANGIBLE ASSETS	2,229,107.29	
2490	ACCUMULATED AMORTIZATION		1,626,346.14
3010	ACCTS PAYABLE ACCRUALS		16,190,423.17
3020	CLAIMS FILED		3,480,511.97
3114.0001	DUE TO OTHER FUNDS-GEN FUND		3,020,410.85
3115.1234	DUE TO OTHER APPROPR-W/IN FUND		7,213,023.00
3120	PREPAYMENT		70,833,000.00
3210	DUE TO OTHER GOVERNMENTS		10,531.00
3510	DEPOSITS		1,795,691.70
3730	UNCLEARED COLLECTIONS		66,276.05
4210	INSTALLMENT CONTRACT PAYABLE		17,367,054.99
5330.0602	RESERVE FOR PREP ITEMS-ARF		6,059,548.83
5540	RETAINED EARNINGS		43,545,832.11
TOTAL		242,780,288.45	242,780,288.45

Adjustments to Controller's Accounts (Report No. 3)

Purpose

Adjustments to Controller's Accounts (Report No. 3) is a computer input document containing the adjusting entries needed to bring the department's balances into agreement with the SCO cash basis accounts as of June 30 for the following general ledger accounts:

<i>Account No.</i>	<i>Account Title</i>
1140	Cash in State Treasury
1210	Deposits in Surplus Money Investment Fund
1730.0666001	Prepayments to Service Revolving Fund, Purchasing
1730.0666002	Prepayments to Service Revolving Fund, Printing
2120	Advances to Other Funds

For the above listed general ledger accounts, the total of the amounts entered on this report combined with the amounts on Report No. 7 should agree with the SCO's official account balances as of June 30. Typically, the opposite side of the adjustments to any of these accounts is General Ledger Account No. 1410, Due From Other Funds or 3114, Due to Other Funds. **Do not** make adjusting entries for nominal accounts (receipts and disbursements), since the correct amount is already reflected on the Pre-Closing Trial Balance (Report No. 7).

Adjustments to Controller's Accounts (Report No. 3), Form 576A should be completed in the same manner as the Report No. 3 for governmental cost funds. An attachment explaining the reason for the adjustments must be included with this report. When processing the report, the explanation of the adjustments is reviewed to obtain additional information that may help to resolve discrepancies.

Adjustments to Controller's Accounts (Report No. 3) (cont.):

Purpose (cont.):

Since the Adjustments to Controller's Accounts (Report No. 3) is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Two examples of the proper use of the Adjustments to Controller's Accounts (Report No. 3) for nongovernmental cost funds are given on the following page.

Adjustments to Controller's Accounts (Report No. 3) (cont.):

The following are two examples of when the Adjustments to Controller's Accounts (Report No. 3) should be used for nongovernmental cost funds:

Example 1:

The department's Cash in State Treasury on its Pre-Closing Trial Balance (Report No. 7) as of June 30 is *more* than the SCO's Cash in State Treasury balance at June 30:

<u>Department June 30 Balance</u>	<u>SCO June 30 Balance</u>
1140 Cash in State Treasury \$5,000.00	1140 Cash in State Treasury \$3,000.00

The following entry should be made on the Adjustments to Controller's Accounts (Report No. 3), to reflect the official Cash in State Treasury balance at June 30 per the SCO's records:

Dr.	1410.XXXX	\$2,000.00
Cr.	1140	\$2,000.00

The combination of the department's Pre-Closing Trial Balance (Report No. 7) and the Adjustments to Controller's Accounts (Report No. 3) for Cash in State Treasury should equal the SCO's balance as of June 30, as shown below:

Department Report No. 7 Balance		Agency Report No. 3		SCO June 30
\$5,000.00	+	(\$2,000.00)	=	\$3,000.00

Example 2:

The department's Cash in State Treasury on its Pre-Closing Trial Balance (Report No. 7) as of June 30 is *less* than the SCO's Cash in State Treasury balance at June 30:

<u>Department June 30 Balance</u>	<u>SCO June 30 Balance</u>
1140 Cash in State Treasury \$4,000.00	1140 Cash in State Treasury \$7,000.00

The following entry should be made on the Adjustments to Controller's Accounts (Report No. 3), to reflect the official Cash in State Treasury balance at June 30 per the SCO's records:

Dr.	1140	\$3,000.00
Cr.	3114.XXXX	\$3,000.00

The combination of the department's Pre-Closing Trial Balance (Report No. 7) and the Adjustments to Controller's Accounts (Report No. 3) for Cash in State Treasury should equal the SCO's balance as of June 30, as shown below:

Department Report No. 7 Balance		Agency Report No. 3		SCO June 30
\$4,000.00	+	\$3,000.00	=	\$7,000.00

Adjustments to Controller's Accounts (Report No. 3) (cont.):

General Instructions

- Submit an original only. Send a signed original to the SCO's State Accounting Section, if it hasn't been sent already.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do not use dollar signs (\$).
- Leave amount column blank for accounts with zero activity.
- Total debits must equal total credits.
- All adjusting entries must be accompanied by an attachment explaining the reason for the adjustment. Each entry on Report No. 3 must be identified by a number that references an explanation identified by the same number. This number should be placed in the "Account Title" column on form 576A.

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 3. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Form 576A

- | | | |
|----------|--|---|
| 1 | Department Name and Number: | Enter Department name and number. |
| 2 | Fund Name and Number: | Enter fund name and corresponding four-digit fund code. |
| 3 | Name of Contact Person and Title: | Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title. |
| 4 | Telephone Number: | Enter the contact person's telephone number. |
| 5 | E-mail Address: | Enter the contact person's e-mail address. |

Adjustments to Controller's Accounts (Report No. 3) (cont.):

6 Account:

- On the Adjustment to Controller's Accounts (Report No. 3), Form 576A, enter the proper four-digit account number using the lowest level account numbers listed in the Uniform Codes Manual. Do not enter a subsidiary number unless it is required, as discussed below.

Reminder

- For non-CALSTARS departments - to identify the other fund involved in an interfund transaction, enter the four-digit fund code and, if applicable, a three-digit subfund code immediately following the general ledger account numbers listed below.

1410.XXXX Due from Other Funds

1730.XXXX Prepayments to Other Funds or
Appropriations

Requires a four-digit
ORG code as the
subsidiary

- 1420.XXXX Due From Other Appropriations
- 3115.XXXX Due To Other Appropriations
- 3114.XXXX Due to Other Funds
- 5330.XXXX Reserve for Prepaid Items

Reminder:

List on Supplemental
Form for Due
To/From Other
Funds/Appropriations

- Include the four-digit org code of the department involved in the transaction as the subsidiary number for General Ledger Account Nos. 1420, Due from Other Appropriations, and 3115, Due to Other Appropriations.
- Enter a four-digit general ledger accounts receivable code immediately following the general ledger account numbers listed below to identify the related receivable. The code must be preceded by a "0."

1390.0XXXXX Allowance for Uncollectible Accounts

1600.0XXXXX Provision for Deferred Receivables

7A Amount:

Post adjustments to the appropriate general ledger accounts. The amounts entered should only be adjustments needed to bring the department's balances on the Pre-Closing Trial Balance (Report No. 7) into agreement with the SCO's cash basis balances as of June 30.

Adjustments to Controller's Accounts (Report No. 3) (cont.):

- 7B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 7C Net Debits/Credits:** Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C."

REPORT NO. 3 Form 576 A (Rev. 3/10)

Adjustments to Controller's Accounts

June 30, 20XX

Page 1 of 1

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
B			

Agency Name and Number 1 Governmental Accounting Advisory Board (1234)		Fund Name and Number 2 General Fund (0001)	
Name of Contact Person, Title 3 Bud G. Tary, Accounting Administrator		Telephone Number 4 916-555-1234	Email Address 5 Bud.G.Tary@gaab.ca.gov

ACCOUNT TITLE	6 ACCOUNT		7A AMOUNT	7B
				D C
CASH IN STATE TREASURY	1140		2,000.00	C
DUE FROM OTHER FUNDS	1410	0001	2,000.00	D
Net Credits/Debits			7C 0.00	

Analysis of Change in Fund Balance (Report No. 9)

Purpose

The Analysis of Change in Fund Balance (Report No. 9), also known as the Statement of Operations, provides the beginning fund balance for the fiscal year plus any additions (e.g., revenues), less any deductions (e.g., expenditures) to determine the fiscal year's ending fund balance.

On Report No. 9, the beginning fund balance must equal the ending fund balance from the previous year's Report No. 9. If a department made entries that changed the previous year's ending fund balance reported to the SCO, the beginning fund balance on the Report No. 9 must be footnoted to explain the difference.

During the processing of the Pre-Closing Trial Balance (Report No. 7), the SCO will refer to Report No. 9 to obtain additional information that may help resolve any discrepancies.

Governmental Accounting Advisory Board (1234)
Service Revolving Fund (0666001)

Analysis of Change in Fund Balance – Report No. 9
June 30, 20__

Account Number	Account Title	Total
5540	Fund Balance, June 30, 20XX	\$ 59,084,279.01
	Additions:	
8000	Revenue	\$ 390,150,138.88
8100	Intra-State Reimbursements	53,463,651.00
	Total Additions	443,613,789.88
	Deductions:	
9000	Appropriation Expenditures	438,870,713.05
9030	Capital Outlay	1,737,000.00
9898	Prior Year Adjustments	18,544,523.73
	Total Deductions	459,152,236.78
5540	Fund Balance, June 30, 20XX	\$ <u>43,545,832.11</u>

Name of Contact Person (Type or Print)

Telephone Number

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this _____ day of _____, _____ at _____, California.

Signature of Officer

Type or Print Name of Officer

Title of Officer

Report of Expenditures of Federal Funds (Report No. 13)

Purpose

The Report of Expenditures of Federal Funds (Report No. 13) provides the department's expenditures and encumbrances for each federal award by Catalog of Federal Domestic Assistance (CFDA) number.

Note: Report American Recovery and Reimbursement Act (ARRA) expenditures separately from non-ARRA expenditures in instances when the same CFDA number is used.

Reminder

Submit *original* Report No. 13 to the Department of Finance, Fiscal Systems and Consulting Unit, and a copy of the report to the SCO with the year-end financial statements.

Department Name and Organization Code
REPORT OF EXPENDITURES OF FEDERAL FUNDS – REPORT NO. 13
As of June 30, 20__

FUND: 0890 FEDERAL TRUST FUND

CFDA No.	Program Title 1/	Expenditures -1-	Encumbrances -2-	Total Budgetary Expenditures -3-
10.500	Cooperative Extension Service	\$100,000,000.00	\$100,000,000.00	\$200,000,000.00
20.205	Highway Planning and Construction	35,000,000.00	15,000,000.00	50,000,000.00
93.778	Medical Assistance Program	320,000,000.00	30,000,000.00	350,000,000.00
	Totals 2/	<u>\$455,000,000.00</u>	<u>\$145,000,000.00</u>	<u>\$600,000,000.00</u>
ARRA				
20.205	Highway Planning and Construction	\$115,000,000.00	\$15,000,000.00	\$130,000,000.00
93.778	Medical Assistance Program	\$60,000,000.00	\$10,000,000.00	\$70,000,000.00
	Totals 2/	<u>\$175,000,000.00</u>	<u>\$25,000,000.00</u>	<u>\$200,000,000.00</u>
	Totals	<u>\$630,000,000.00</u>	<u>\$170,000,000.00</u>	<u>\$800,000,000.00</u>

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this ____ day of ____, 20__ at ____, California.

Signature of Officer

Type or print name of Officer

Title of Officer

1/ Catalog of Federal Domestic Assistance (CFDA) and program title of each federally funded program.

2/ Columns 1 + 2 = Column 3.

Statement of Financial Condition (Report No. 20)

Purpose

The Statement of Financial Condition (Report No. 20) provides the balances of the assets, liabilities, and fund equity as of June 30. During the processing of the Pre-Closing Trial Balance (Report No. 7), the SCO will refer to Report No. 20 to obtain additional information that may help resolve any discrepancies.

Service Revolving Fund (0666001)**Statement of Financial Condition - Report No. 20
June 30, 20XX**

Account Number	Account Description	Total
Assets:		
Cash		
1110	General Cash	\$3,757,211.68
1130	Revolving Fund Cash	1,362,356.85
1140	Cash in State Treasury	91,332.87
1190	Cash on Hand	125,801.16
		\$5,336,702.56
Accounts Receivable		
1312	Accounts Receivable - Reimburse.	1,176,932.42
1315	Accounts Receivable - Dishonored Cks.	3,608.20
1319	Accounts Receivable - Other	8,477.14
1390.01312	Allowance for Uncollectible Accounts	(926,526.46)
1410.0001	Due from General Fund	65,021,144.17
1410.0002	Due from Property Acquisition Law	431,015.00
1410.0003	Due from Motor Vehicle Park	271,284.00
1410.0006	Due from Access for Handicapped	171,900.00
1410.0026	Due from Motor Vehicle Insurance	2,390,308.00
1410.0344	Due from S.S.B.L.P.F.	834,690.00
1410.0465	Due from Energy Resources	145,283.00
1410.0602	Due from Architecture Revolving	1,799,183.00
1410.0768	Due from Earthquake	100,650.00
1410.0961	Due from School Deferred Maintenance	10,493.00
1420.1234	Due from Other Appropriations within the same Fund	12,213,023.00
1510	Due from Other Governments	1,185,784.00
1600.01315	Provision for Deferred Receivable - Dishonored Checks	(3,608.20)
1600.01319	Provision for Deferred Receivable - Other	(8,477.14)
1710	Expense Advance	85,809.98
1720	Other Prepaid Expenses	383,197.22
1730.0602	Prepayments to A.R.F.	6,059,548.83
		91,353,719.16
Inventory		
1900	Inventory	15,413,905.11
		15,413,905.11
Capital Assets		
2341	Equipment	127,508,242.53
2349	Accumulated Depreciation - Equipment	(70,633,026.84)
2410	Intangible Assets	2,229,107.29
2490	Accumulated Amortization	(1,626,346.14)
		57,477,976.84
Total Assets		\$169,582,303.67
Liabilities & Fund Equity:		
Current Liabilities		
3010	Accounts Payable	(\$16,190,423.17)
3020	Claims Filed	(3,480,511.97)
3114.0001	Due to Other Funds - General Fund	(3,020,410.85)
3115.1234	Due to Other Appropriation in Fund	(7,213,023.00)
3120	Prepayments from Other Funds	(70,833,000.00)
3210	Due to Other Governments	(10,531.00)
3510	Deposits	(1,795,691.70)
3730	Uncleared Collections	(66,276.05)
		(\$102,609,867.74)
Long Term Liabilities		
4210	Installment Contracts Payable	(17,367,054.99)
		(17,367,054.99)
Fund Equity		
5330.0602	Reserve for Prepaid Items - A.R.F.	(6,059,548.83)
5540	Retained Earnings	(43,545,832.11)
		(49,605,380.94)
Total Liabilities and Fund Equity		(\$169,582,303.67)

General Obligation Bond Funds

Purpose

Bond Funds are used to record the proceeds from the sale of general obligation bonds and the expenditure for acquisition of property, capital outlay, or loans to local departments for the same purpose.

The year-end reports required for general obligation bond funds are the same as those required for governmental cost funds. Refer to the Governmental Cost Funds section for instructions.

Specific Instructions

- Provide the required year-end reports for each subfund.
- Accrue SMIF Interest as a debit to General Ledger Account No. 1410.0681 and a credit to receipt account 0250300.
- Do not accrue any intrafund transfers; a transfer between subfunds of the same fund, as a debit to Due From Other Funds; General Ledger Account No. 1410.XXXX and a credit to receipt account 03XXXXXX on Report No. 1. Use Due To/From Other Appropriations; General Ledger Account Nos. 1420.XXXX and 3115.XXXX (use the Org as the four-digit subsidiary number), respectively.
- The Pooled Money Investment Account (PMIA) loan accrued letter is mailed out by the State Controller's Office no later than the end of July. Per the data provided in the letter, accrue the PMIA interest expense pertaining to the loan. Accrue the PMIA interest expense as a debit to the appropriate disbursement account and a credit to General Ledger Account No. 3114.0942, Due to Special Deposit Fund.

If you have any question regarding the PMIA letter, call Lina Chan at (916) 322-4671.

Special Deposit Fund

Purpose

The Special Deposit Fund is used as a depository for moneys collected by the State, in instances where there has been no fund created for the moneys received. Moneys remaining unclaimed and held by a department for which the claimant cannot be found are also deposited in the fund and remain for two years. If not claimed within the two-year period, the money reverts to the General Fund, except for unclaimed warrants deposited, which will revert to the fund against which the warrant was drawn.

The year-end reports required for the Special Deposit Fund are the following:

- Report No. 3 – Adjustments to Controller's Accounts
- Report No. 7 – Pre-Closing Trial Balance
- Report No. 8 – Post-Closing Trial Balance
- Report No. 9 – Analysis of Change in Fund Balance
- Report No. 20 – Statement of Financial Condition Special Deposit Fund (cont.)

General Instructions

- The filing date for the Special Deposit Fund year-end financial reports is August 20, 2012.
- For each subfund, prepare a separate Report No. 9 and 20; however, a consolidated Report No. 7 and No. 8 must be submitted. Year-end reports are required even if the account has a zero fund balance, but had a beginning fund balance or activity during the fiscal year.
- Cash in State Treasury must equal the Controller's Fund Reconciliation Report of General Ledger Account No. 1140. If an adjustment is necessary, provide a descriptive footnote at the bottom of the Adjustments to Controller's Accounts (Report No. 3).
- June 30 accounts not yet approved by the Department of Finance are considered Non-Treasury Trust (NTT) Funds until a department has approval.

Reminder

Non-Treasury Trust Fund (NTT)

Purpose

The Non-Treasury Trust (NTT) Fund consists of money or property, in the custody of a state department that is not required to be deposited in a fund in the State Treasury. Cash receipts are accounted for in General Ledger Account No. 1120, Agency Trust Fund Cash. Securities may be held by the department or transmitted to the State Treasurer for safekeeping and accounted for in General Ledger Account No. 2720, Securities and Other Property Held in Trust. *Note:* Trust cash in a department account pending remittance to a fund in the State Treasury is recorded in General Ledger Account No. 1110, General Cash.

The following year-end reports should be submitted for NTT funds. These are the same reports submitted for nongovernmental cost funds.

- Report No. 7 – Pre-Closing Trial Balance
- Report No. 8 – Post-Closing Trial Balance
- Report No. 9 – Analysis of Change in Fund Balance
- Report No. 20 –Statement of Financial Condition

Non-Treasury Trust Fund (NTT) (cont.):

General Instructions

The instructions below are followed by illustrations of completed Report Nos. 7, 8, and 9. Included in the year-end reports should be the type of trust fund, a contact person, and a phone number. A list of current departments with NTT funds is shown on the pages following the sample reports. Refer to SAM Section 7620 for more information about General Ledger Account No. 1120, Agency Trust Fund Cash.

- The year-end reports required to be submitted for a NTT Fund must be submitted under Fund No. 0990; Fiduciary Funds Outside the Centralized Treasury System.
- Prepare separate year-end reports according to the type of trust fund money held. There are four types, as follows:
- Include the general ledger account numbers on all reports. Account titles alone are not sufficient.

Guaranty Deposits: Deposits held by several state departments to comply with various legal requirements. For instance, negotiable securities held by the State Treasurer, bearer bonds, stocks, or certificates of deposits not assigned to the department. Also included are fees, bids, and security deposits.

Private Trusts: The state department acts as custodian of a private individual's assets. For instance, money, securities, or sundry personal property held by departments for the benefit of specific individuals, such as inmates, students, etc.

Special Purpose Trusts: Individuals, corporations, public departments, etc., may make gifts or grants to the State for specific purposes such as conducting research or providing money for scholarships, etc.

Departmental Trusts: The following funds outside the State Treasury are authorized by the DOF:

State Veterans' Home Post Fund
Agriculture Marketing Act Trust
Department of Employment Trust Funds

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
NON-TREASURY TRUST FUND (0990)

Pre-Closing Trial Balance – Report No. 7
June 30, XX

<u>GLAN</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
1110	General Cash	2,000.31	
1120	Agency Trust Fund Cash	545,321.00	
1190	Cash on Hand	250.36	
2720	Securities and Other Property Held in Trust	445,200.00	
3510	Deposits		992,771.67
	Total	<u>992,771.67</u>	<u>992,771.67</u>

Name of Contact Person (Type or Print)

Telephone Number

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this ____ day of _____, 20xx at _____, California.

Signature of Officer

Type or print name of Officer

Title of Officer

**GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
NON-TREASURY TRUST FUND (0990)**

**Post-Closing Trial Balance – Report No. 8
June 30, 20XX**

<u>GLAN</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
1110	General Cash	2,000.31	
1120	Agency Trust Fund Cash	545,321.00	
1190	Cash on Hand	250.36	
2720	Securities & Other Property Held in Trust	445,200.00	
3510	Deposits		992,771.67
	Total	<u>992,771.67</u>	<u>992,771.67</u>

Name of Contact Person (Type or Print)

Telephone Number

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this ____ day of _____, 20xx at _____,
California

Signature of Officer

Type or print name of Officer

Title of Officer

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
NON-TREASURY TRUST FUND (0990)

Analysis of Change in Fund Balance – Report No. 9
June 30, 20XX

<u>GLAN</u>	<u>Account Title</u>	<u>Total</u>
	Fund Balance, June 30, 20XX	\$ 440,532.36
	Additions:	
8800	Operating Income	\$ 53,600.00
8067	Receipts from Depositors	54,000.00
8090	Other Additions	236.31
	Total Additions	107,836.31
	Deductions:	
9000	Operating Expenditures	\$ 14,300.00
9033	Payments to & for Depositors	2,456.00
9085	Securities Released for Individuals	25,000.00
9897	Prior Year Surplus Adjustment	236.00
	Total Deductions	41,992.00
	Fund Balance, June 30, 20XX	<u>\$ 506,376.67</u>

Name of Contact Person (Type or Print)

Telephone Number

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this ____ day of _____, 20xx at _____, California.

Signature of Officer

Type or print name of Officer

Title of Officer

This page intentionally left blank.

Special Reports

This page intentionally left blank.

Report of Bank and/or Savings and Loan Association Accounts Outside the Treasury System (Report No. 14)

Purpose

The Report of Bank and/or Savings and Loan Association Accounts Outside the Treasury System (Report No. 14) provides the balances of accounts outside the Centralized State Treasury System.

General Instructions

- Completion of this report is only required if the department has accounts outside the Centralized State Treasury System. If the department has an account, identify the bank accounts and the corresponding balances on one report for the entire department.
- If the department does not have accounts outside the Centralized State Treasury System, indicate this on the Certification Letter.

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 14 (Use STD Form 445, Rev. 6/98).

- Each Report No. 14 should have the department name and number.
- The account title and number is taken from the bank statement. Often the account title shows through the envelope window of the statement.
- The type of account should be a checking, savings, or certificate of deposit. Titles such as impress account, liquidity account, or adjustment account are not account types.
- The "Purpose" stipulates the reason for the account. Electronic Funds Transfer (EFT) or zero balance accounts (ZBA) should be identified in this column.
- The authority for the account should contain the date of the Department of Finance's approval or citation if authorized by statute.

Report of Bank and/or Savings and Loan Association Accounts Outside the Treasury System (Report No. 14) (cont.):

Specific Instructions (cont.):

- Even if the account is zero, or has been closed during the fiscal year, the account should be included on the report and the zero balance should be indicated.
- The department officer responsible for fiscal administration may sign the certification. Include the phone number of the person who should be contacted to answer questions concerning this report.

STATE OF CALIFORNIA

**REPORT OF BANK/SAVINGS AND
LOAN ASSOCIATION ACCOUNT
OUTSIDE THE TREASURY SYSTEM**

STD. 445 (REV. 6-98)

Please return to:

State Treasurer's Office
Securities Clearance Section
P.O. Box 942809
Sacramento, CA 94209-0001

This report will be required of all State agencies. If no account exists, submit report noted "No accounts outside State Treasury." Any account in which State money is deposited, as defined by Government Code 16305.2, and which is not in the centralized State Treasury system will be included in this report.

✓(1) Account title and number appearing on bank/savings and loan statement.

✓(2) State type of account (savings, checking, certificate of deposit, etc.).

✓(3) Brief description and purpose of account.

✓(4) Name and address of depository and branch.

✓(5) Date of Department of Finance approval (Govt. Code 16305.3) or citation if authorized by statute.

✓(6) Book balance of account as of June 30.

DEPARTMENT NAME AND ADDRESS

Governmental Accounting Advisory Board (1234)

FOR FISCAL YEAR ENDED

June 30, 20XX

(1) ACCOUNT TITLE AND NUMBER	(2) ACCOUNT TYPE	(3) PURPOSE	(4) BANK/SAVINGS & LOAN	(5) AUTHORITY	(6) BALANCE
Electronic Funds Transfer and Descriptive Transactions Account No. 659-6-98012	Checking	Accept credit card payments.	First Interstate Bank P.O. Box 3666 Terminal Annex Los Angeles, CA 90051	✓10-22-99 DOF Approved	✓\$0.00 Closed on 7-20-XX
Electronic Funds Transfer Account No. 1489-4-80550	Checking	Collect registration fees from rental car companies.	Bank of America 900 8th Street Sacramento, CA 95814	✓10-02-93 DOF Approved	✓\$0.00
Change Order Accounting	Checking	Field Offices use account to obtain change from Bank of America.	Bank of America 900 8th Street Sacramento, CA 95814	✓10-15-93 DOF Approved	✓\$10,000.00
Deposit Management System Account No. 1489-6-80578	Savings	Daily Collection transfer for Field Offices and Auto Clubs.	Bank of America 900 8th Street Sacramento, CA 95814	✓6-16-94 DOF Approved	✓\$0.00

Statement of Changes in Capital Assets Group of Accounts (Report No. 18)

Purpose

The Statement of Changes in Capital Assets Group of Accounts (Report No. 18) provides the SCO with information regarding the addition and deduction of capitalized assets (both tangible assets and intangible assets) during the fiscal year. This information is needed for the preparation of the *Comprehensive Annual Financial Report* (CAFR), prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

In order to facilitate this requirement of the CAFR, a Report No. 18 must be submitted for each fund.

The Governmental Accounting Standard Board Statement No. 51 (GASB 51) - *Accounting and Financial Reporting for Intangible Assets*, established uniform accounting and financial reporting requirements for intangible assets in fiscal year 2009-10

Budget Letter 10-13 issued by the Department of Finance on June 18, 2010, provides specific information for implementing this policy on the capitalization of intangible assets for your financial statements and guidelines for retroactively reporting intangible assets that were not previously reported. The budget letter can be found at the following link:
http://www.dof.ca.gov/budgeting/budget_letter/.

SAM Section 8615 and 8635 require capitalization of purchased intangible assets and internally generated intangible assets. Definitions and descriptions of intangible assets are included in SAM and general ledger accounts for various categories of intangible assets are included in the UCM. Departments are required to report intangible assets using the lowest level general ledger account(s) for their intangible assets in the financial statements.

Statement of Changes in Capital Assets Group of Accounts (Report No. 18) (cont.):

General Instructions

Reminder

- A separate Report No. 18 must be prepared for each fund within your department, except for Fiduciary funds. Additionally, capitalized assets of both Proprietary and Fiduciary fund types must be included in the fund statements. If there are no capitalized assets for that fund, note on the Certification Letter that there are no capitalized assets in that fund.
- Departments are required to identify each Report No. 18 with the fund name, fund number, department name, and department number.
- Beginning balances must agree with the prior year's ending balances except for restating the July 1, 2010 beginning balance for unreported or misclassified capital assets. Refer to Budget Letter 10-13, page 5 for rules on retroactively reporting intangible assets. If intangible assets were included in the Report 18 last year under a different asset account, reduce the beginning balance of the previously used account and add the amount to the beginning balance of the correct intangible asset account. If an adjustment to the beginning balance is made, provide a footnote at the bottom of Report No. 18 that includes the description and the amount of the adjustment.
- The addition column should only be used for assets acquired or internally generated during fiscal year 2010-11.

Statement of Changes in Capital Assets Group of Accounts (Report No. 18) (cont.):

General Instructions (cont.):

- If there are any deductions equal to or greater than **\$1.0 million**, the following information should be provided in a footnote:
 - The nature of the deduction, i.e., sale, demolition, transfer, or other.
 - The date acquired and acquisition cost for each deduction reporting a sale, demolition, or transfer.
 - The fund name and number and the department name and number to which the capitalized asset was transferred, if transferred.
 - Include an explanation for the deduction, if it represents an “Adjustment” or “Other Deduction.”
- The filing date for Report No. 18 is same as the due date of the fund. If you have any questions regarding this report, contact Anthony DelMastro at (916) 322-2952

An illustration of a completed Report No. 18 is shown on the following page.

Governmental Accounting Advisory Board (1234)
Statement of Changes in Capital Assets Group of Accounts – Report No. 18
Fish and Game Preservation Fund (0200)
June 30, 20XX

	Balance	Additions	Deduction	Balance June 30, 20XX
Tangible Assets				
Land	\$52,000,000.00	\$ 7,000,000.00	\$ 19,000.00	\$ 58,981,000.00
Buildings	8,837,865.53	3,119,425.68	103,071.28	11,854,219.93
Improvements Other Than Buildings	15,894,735.67	2,091,766.79	3,500,000.00 ¹	14,486,502.46
Equipment	50,092,029.66	1,822,676.28	549,696.15	51,365,009.79
Construction Work in Progress	0.00	1,000,000.00	0.00	1,000,000.00
Infrastructure - Depreciable	500,000.00	2,000,000.00	0.00	2,500,000.00
Intangible Assets				
Computer Software –Amortizable	1,500,000.00 ²	500,000.00	200,000.00	1,800,000.00
Land Use Rights – Amortizable	1,185,000.00 ³	0.00	0.00	1,185,000.00
Land Use Rights – Non-Amortizable	0.00	0.00	0.00	0.00
Patents, Copyrights, and Trademarks - Amortizable	0.00	0.00	0.00	0.00
Patents, Copyrights, and Trademarks – Non- Amortizable	0.00	0.00	0.00	0.00
Other Intangible Assets – Amortizable (specify)	0.00	0.00	0.00	0.00
Other Intangible Assets – Non-Amortizable (specify)	0.00	0.00	0.00	0.00
Internally Generated Intangible Assets in Progress	2,000,000.00 ⁴	800,000.00	0.00	2,800,000.00
	<u>\$132,009,630.86</u>	<u>\$18,333,868.75</u>	<u>\$4,371,767.43</u>	<u>\$145,971,732.18</u>

¹ Sale of Building acquired for \$2,000,000.00 on April 24, 1985. \$ 2,000,000.00
Building acquired by donation on December 20, 1990 with an
estimated worth of \$1,500,000.00. Transferred to the Department
of Parks and Recreation (3790), Fund (0392) . 1,500,000.00
\$ 3,500,000.00

² Restated beginning balance for previously unreported computer software

³ Restated beginning balance for land use rights previously reported in GL 2410- Intangible Assets.

⁴ Restated beginning balance for previously unreported application development costs for on ongoing computer software project.

Statement of Capital Assets Group of Accounts (Report No. 19)

Purpose

The Statement of Capital Assets Group of Accounts (Report No. 19) provides information on capitalized assets recorded in the Capital Assets Group of Accounts and assures the accuracy and completeness of a department's capitalized asset accounts on the year-end financial reports.

Report No. 19 includes the total of all capitalized assets (tangible and intangible assets) of a department, and also provides the total capitalized assets for each fund. Each Report No. 18 includes the amount of capitalized assets for one fund only, whereas Report No. 19 is a consolidation of all Report No. 18s.

General Instructions

The filing date for Report No. 19 is August 20, 2012.

If you have any questions regarding this report, contact Anthony DelMastro at (916) 322-2952.

An illustration of a completed Report No. 19 is shown on the following page.

Governmental Accounting Advisory Board (1234)
Statement of Capital Assets Group of Accounts – Report No. 19¹
June 30, 20XX

	Debit	Credit
Tangible Assets:		
Land	\$60,689,360.74	
Buildings	14,787,829.61	
Improvements Other Than Buildings	24,451,411.99	
Equipment	61,738,541.69	
Construction Work in Progress	1,000,000.00	
Infrastructure – Depreciable	18,000,000.00	
Intangible Assets:		
Computer Software – Amortizable	8,200,000.00	
Land Use Rights – Amortizable	1,185,000.00	
Land Use Rights – Non-amortizable	0.00	
Patents, Copyrights, and Trademarks – Amortizable	0.00	
Patents, Copyrights, and Trademarks – Non-Amortizable	0.00	
Other Intangible Assets - Amortizable	0.00	
Other Intangible Assets – Non-Amortizable	0.00	
Internally Generated Intangible Assets in Progress	3,400,000.00	
Total General Capitalized Assets ¹	<u>\$193,452,144.03</u>	
Investment in General Capitalized Assets From: ²		
General Fund (0001)		\$ 29,890,263.76
CA Environmental License Plate (0140)		5,704,506.37
Outer Continental Shelf Land Act (0164)		65,232.44
Delta Flood Project (0176)		295,105.64
Fish and Game Preservation (0200)		145,971,732.18
Fisheries Restoration Act (0202)		306,480.18
Fish and Wildlife Pollution (0207)		93,920.41
Public Resources Acct. – Cigarette/Tobacco Surtax (0235)		2,408,640.08
Oil Spill Prevention (0320)		5,689,730.75
Oil Spill Response Trust (0321)		85,169.23
California Wildlife and Coastal Park (0786)		65,523.82
Federal Trust Fund (0890)		2,875,839.17
Total Investment in General Capitalized Assets ¹		<u>\$193,452,144.03</u>

¹ General Capitalized Assets Account Group is self-balancing. Total Capitalized Assets must equal Total Investment in Capitalized Assets.

² Investment in Capitalized Assets is a credit account used to offset the reported Capitalized Assets. Investment indicates the source of the monies from which the Capitalized Assets are required.

Physical inventories of capitalized assets are made at least once every three years

Subsidiary capitalized assets records were in agreement with the general ledger control accounts as shown above.

Statement of Contingent Liabilities (Report No. 22)

Purpose

The Statement of Contingent Liabilities (Report No. 22) should include contingencies for Federal audit exceptions, other audit exceptions, and litigation pending.

An illustration of a completed Report No. 22 is shown on the following page.

Governmental Accounting Advisory Board (1234)
Statement of Contingent Liabilities – Report No. 22
Service Revolving Fund (0666001)
June 30, 20XX

Type of Contingent Liability	Reference Identification	Estimated Amount	Estimated Date of Payment	Comments
Damage Claims	CA-LIT-91-013	90,000.00	01/13	Settlement Pending
Damage Claims	CA-LIT-91-217	254,000.00	01/13	Settlement Pending
Damage Claims	CA-LIT-91-015	10,000,000.00	01/13	Settlement Pending

Name of Contact Person (Type or Print)

()

Telephone Number

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090)

Subscribed and executed this _____ day of July, 20XX at Sacramento, California

Signature of Officer

Type or print name of Officer

Title of Officer

Frequently Asked Questions (FAQ)

New

Q: If we have a fund with subfunds, do we need to submit a separate certification (cert) letter for each subfund?

A: *No, you do not need to submit a separate certification letter for each subfund; a fund with multiple subfunds can be included within one certification letter, but the reports submitted for each subfund must be listed separately on the letter.*

If you choose to submit one letter for each subfund, it will not be counted as an error against you when determining qualification for the Certificate for Achieving Excellence in Financial Reporting.

Q: When we need to submit revised accruals, do you want a whole new set of financial statements?

A: *It is not necessary to submit an entirely new set of financial statements, if you submit revisions to your original accruals; however, it is acceptable.*

Special Note: *Make sure if you're submitting revisions to your original accruals, that the revised amount is the difference between what you originally reported and the correct amount. Both the Report No. 1 and No. 3 are used as input documents, and we would like to avoid duplicate entries and the doubling up of amounts.*

Also, revisions submitted after the revision deadline will not be accepted without the Budgetary/Legal Reporting Section manager's prior approval.

Q: If we are reporting for a shared fund, what General Ledger Account do we use on our Pre-closing Trial Balance for Retained Earnings?

A: *You will use GL Account 5570, Fund Balance Clearing, if you are reporting for a shared fund.*

Q: If I have an abnormal balance on my Pre-closing Trial Balance, Report No. 7, where should I provide an explanation?

A: *Provide the explanation for an abnormal account balance and/or negative fund balance on the bottom of your Report No. 7. Check to make sure the abnormal account balance is valid. For example, if the payable account has a debit balance, it may be proper to reclassify it to a receivable account to resolve the abnormal account balance.*

F A Q (cont.):

Q: On the Due To/Due From Supplementary Form, how do I know if it's a Due to Other Funds or Due to Other Appropriations?

A: *A Due To/From Other Appropriations (GLs 3115/1420) is appropriate when the Due To/From is between two different appropriations within the same fund.*

Note: *To accurately reflect the Due To/From Other Funds or Other Appropriations, you must fill out the Due To/From Supplemental form using the FUND or ORG that the transaction is ultimately going to as the subsidiary FUND or ORG for General Ledger Accounts 1410/3114 (Funds) and 1420/ 3115 (Orgs), respectively. For instance, you do not want to use the FUND or ORG that is a “pass through” FUND or ORG for the subsidiary. You want to use the FUND or ORG that the monies are ultimately going to or paying for an expense. This information should be available to you in an agency agreement and/or you should be able to contact the other department involved. Your Due Tos and Froms between funds/departments must reconcile between the departments respective Due To/Froms on the Supplemental Forms. Indicate on the form if you have contacted the other department but the amounts cannot be confirmed. **Two copies** of the Supplemental Form are required.*

Q: Is it okay to submit a certification letter with each nongovernmental instead of the signature panel at the end of the Report Nos. 7, 8, and 9?

A: *Yes, the certification letter takes the place of the signature panel on each of the individual reports. The certification letter is required. The signature panels on the individual reports do not need to be signed.*

Q: Should Report No. 13, Report of Expenditures of Federal Funds, be considered a “Special Report” on the cert letter?

A: *No, the Report No. 13 is not considered a “Special Report”.*

Q: What if my ending fund balance does not match my beginning fund balance because of a prior year adjustment?

A: *Make an entry that hits PY Surplus Adjustment rather than change the beginning fund balance.*

F A Q (cont.):

Q: If the appropriation is reverted and the only activity is a prior year accrual that is reversing, do I submit a Report No. 5?

A: *Yes. Essentially, if we have provided a Report No. 5 for your appropriation(s) on our website, you are required to submit it to us at year-end with your statements, whether you accrual activity or not.*

Q: Can ending cash have a negative balance?

A: *Yes, if it is a shared fund and the total cash for all agencies is a debit.*